Volume XI.] *September, 1896.* [*Number 3.*

POLITICAL SCIENCE QUARTERLY.

PRIMITIVE DEMOCRACY IN BRITISH TRADE-UNIONISM.[1] I.

THE first problem which trade-unionists have had to solve is that of all governments. They have had to construct an administration able to perform with efficiency the functions entrusted to it. But efficiency is not the principal requirement. In the narrow range of the artisan's life trade-union membership is no small matter. It demands from him the weekly renewed sacrifice of perhaps three per cent of his income. It involves, moreover, his subordination in all the essential conditions of his working life to rigid rules settled for him by the representatives of his trade. Now, though it is conceivable that a strong trade union might coerce a few individual workmen to continue in its ranks against their will, no such coercive influence could permanently prevail over a discontented majority, or prevent the secession, either individually or in a body, of any considerable number who were seriously disaffected. The persistence of any trade union is, therefore, fundamentally dependent on the continuous assent of the great bulk of its members to its objects and policy. The frequency with which, in our *History of Trade-Unionism*, we have had to describe the crumbling away of membership, or the secession of whole branches or sections of a trade, proves that, at any rate in trade-union organization, the continuous assent of the governed is the primary condition of existence.

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Here we must make a distinction which will, in the course of this article, be seen to be of vital importance. It is often assumed that the necessary basis for such popular administration is secured by referring all important proposals to the vote of the whole body concerned. But the "continuous" assent of the "governed," which is so indispensable a condition of all trade-union government, is an assent, not to the projects, proposals or programs of the governing body, but to the actual working results of its administration week by week. The average member expects from his trade union certain tangible advantages, in the shape either of friendly-society benefits or of improved conditions of work. By what expedients these ends are to be attained — the constitutional form, the particular trade regulation, the exact scale of receipts and payments — is a matter upon which the great mass of citizens, the "common lump of men," have no opinion of their own. The more active-minded among the members are, it is true, ready enough to vote one way or the other on any question that may be put before them. But even the keenest trade-unionist judges his society by results alone; and if these are not to his liking, the fact that he is but suffering the consequences of his own vote will not prevent him from denouncing or abandoning an executive which has perhaps done no more than carry out his orders. It may at first sight seem that this comes only to saying that a trade-union government, to be popular, must secure the welfare of the governed. But this is quite beside our meaning. Trade-unionists, like other classes, are not prepared to accept implicitly the judgment of even the wisest of their own leaders as to what they should aim at. Whether or not a particular trade-union regulation promotes the real well-being of the members, — a point on which opinions will always differ, and on which no final judgment can ever be passed, — it must at any rate commend itself to them week by week by obtaining, if only imperfectly, what they actually desire, whether this is good for them or not. In short, the continued success of trade-union administration depends on obtaining the members' approval, not so much of each separate act of the executive, or even of each

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piece of tactics or line of policy, but of the actual results which these expedients produce in the every-day life of the trade concerned. Thus democracy, which in the affairs of a nation is only one among several alternative forms of government, is in trade-unionism the only possible basis of association. Trade-union history is, therefore, the record of a century-long experiment in every variety of popular self-government.

In the local trade clubs of the eighteenth century, democracy appeared in its simplest form. The members of each trade, in general meeting assembled, themselves made the regulations, applied them to particular cases, voted every expenditure of funds, and decided on such action by individual members as seemed necessary for the common weal. Like the citizens of Uri or Appenzell[1] the eighteenth-century workmen were slow to recognize any other authority than "the voices" of all concerned. The early rules were accordingly occupied with securing the maintenance of order and decorum at these general meetings of "the trade" or "the body." With this view the president, often chosen only for the particular meeting, was treated with great respect and invested with special, though temporary, authority. Thus the constitution of the London Society of Woolstaplers, established 1785, declares

> that at every meeting of this society a president shall be chosen to preserve the rules of decorum and good order; and if any member shall not be silent on due notice given by the president, which shall be giving three distinct knocks on the table, he shall fine threepence; and if any one shall interrupt another in any debate while addressing the president, he shall fine sixpence; and if the person so fined shall return any indecent language, he shall fine sixpence more; and should any president misconduct himself, so as to cause uproar and confusion

[1] The early trade-union general meetings have, indeed, many interesting resemblances, both in spirit and in form, to the *Landesgemeinden*, or general meetings of all citizens, of the old Swiss Cantons. The best description of these archaic Swiss democracies, as they exist to-day, is given by Eugène Rambert in his work Les Alpes Suisses: Études Historiques et Nationales (Lausanne, 1889). J. M. Vincent's State and Federal Government in Switzerland (Baltimore, 1891) is more precise and accurate than any other account in the English language. Freeman's picturesque reference to them in The Growth of the English Constitution (London, 1872) is well known.

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in the society, or shall neglect to enforce a strict observance of this and the following article, he shall be superseded, and another president shall be chosen in his stead. The president shall be accommodated with his own choice of liquors, wine only excepted.[1]

And the Articles of the Society of Journeymen Brushmakers, to which no person was to be admitted as a member "who is not well-affected to his present Majesty and the Protestant succession, and in good health, and of a respectable character," provide

that on each evening the society meets there shall be a president chosen from the members present to keep order; to be allowed a shilling for his trouble; any member refusing to serve the office to be fined sixpence. If any member dispute on politics, swear, lay wagers, promote gambling or behave otherwise disorderly, and will not be silent when ordered by the chairman, he shall pay a fine of a shilling.[2]

The rules of almost every old society, indeed, focus the attention of its members on this general meeting. Whilst political or religious wrangling, seditious sentiments or songs, cursing, swearing or obscene language, betting, wagering, gaming or refusing to keep silence were penalized by fines, elaborate and detailed provision was made for the entertainment of the members. Meeting, as all clubs did, at a public house in a room lent free by the landlord, it was taken as a matter of course that each man should do his share of drinking. The rules often prescribe the sum to be spent at each meeting; in the case of the Friendly Society of Ironfounders, for instance, the member's monthly contribution in 1809 was a shilling "to the box," and threepence for liquor, "to be spent whether present or not." The brushmakers provided "that on every meeting night each member shall receive a pot ticket at eight o'clock, a pint at ten o'clock, and no more."[3] And the Manchester compositors

[1] The Articles of the London Society of Woolstaplers (London, 1813).

[2] Articles of the Society of Journeymen Brushmakers, held at the sign of the Craven Head, Drury Lane (London, 1806).

[3] Articles of the Society of Journeymen Brushmakers, held at the sign of the Craven Head, Drury Lane (London, 1806). The account book of the little Preston Society of Carpenters, whose membership in 1807 averaged about 45,

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resolved in 1826 "that tobacco be allowed to such members of this society as require it during the hours of business at any meeting of the society." [1]

After the president the most important officers were, accordingly, the stewards or marshalmen, two or four members usually chosen by rotation. Their duty was, to use the words of the cotton-spinners, "at every meeting to fetch all the liquor, and serve it regularly round"; [2] and the members were, in some cases, "strictly forbidden to drink out of turn, except the officers at the table or a member on his first coming to town." [3] Treasurer there was often none, the scanty funds, if not consumed as quickly as collected, being usually deposited with the publican who acted as host. Sometimes, however, we have the archaic box with three locks, so frequent among the gilds; and in such cases members served in rotation as "keymasters," or, as we should now say, trustees. Thus the Edinburgh shoemakers provided that "the keymasters shall be chosen by the roll, beginning at the top for the first keymaster, and at the middle of the roll for the youngest keymaster. If any refuse the keymaster, he shall pay one shilling and sixpence sterling." [4] The ancient box of the Glasgow Ropemakers' Friendly Society

shows an expenditure at each meeting of 6*s.* to 7*s.* 6*d.* As late as 1837 the rules of the Steam-Engine Makers Society provided that one-third of the income — fourpence out of the monthly contribution of a shilling — "should be spent in refreshments." Some particulars as to the dying away of this custom are given in our History of Trade-Unionism, pp. 185, 186.

[1] MS. Minutes of the Manchester Typographical Society, 7th March, 1826.

[2] Articles, Rules, Orders and Regulations made and to be observed by the Friendly Associated Cottonspinners within the township of Oldham (Oldham, 1797).

[3] Friendly Society of Ironfounders, Rules, 1809. The Rules of the Liverpool Shipwrights Society of 1784 provided also "that each member that shall call for drink without leave of the steward shall forfeit and pay for the drink they call for to the stewards for the use of the box. That the marshalmen shall pay the overplus of drink that comes in at every monthly meeting more than allowed by the society; and no member of this society is allowed to call for or smoke tobacco during club hours in the club room; for every such offence he is to forfeit and pay fourpence to the stewards for the use of the box." — Articles to be observed by a Society of Shipwrights, or the True British Society, all Freemen (Liverpool, 1784), Articles 8 and 9.

[4] Articles of the Journeymen Shoemakers of the City of Edinburgh (Edinburgh, 1778) — a society established in 1727.

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(established 1824), elaborately decorated with the society's "coat of arms," was kept in the custody of the president, who was elected annually.[1] Down to within the last thirty years the custom was maintained on the "deacons' choosing," or annual election day, of solemnly transporting this box through the streets of Glasgow to the house of the new president, with a procession of ropespinners headed by a piper, the ceremony terminating with a feast. The keeping of accounts and the writing of letters was a later development, and when a clerk or secretary was needed, he had perforce to be chosen from the small number qualified for the work. But there is evidence that the early secretaries served, like their colleagues, only for short periods, and occupied, moreover, a position very subordinate to the president.

Even when it was necessary to supplement the officers by some kind of committee, so far were these infant democracies from any superstitious worship of the ballot-box, that, although we know of no case of actual choice by lot,[2] the committeemen were usually taken, as in the case of the Steam-engine Makers Society "in rotation as their names appear on the books."[3] "A fine of one shilling," say the rules of the Southern Amicable Union Society of Woolstaplers, "shall be levied on any one who shall refuse to serve

[1] General Laws and Regulations of the Glasgow Ropemakers Trade Protective and Friendly Society (Glasgow, 1884). The members of the Glasgow Typographical Society resolved, in 1823, "that a man be provided on election nights to carry the box from the residence of the president to the place of meeting, and after the meeting to the new president's house." — MS. Minutes of general meeting, Glasgow Typographical Society, 4th October, 1823.

[2] The selection of officers by lot was, it need hardly be said, frequent in primitive times. It is interesting to find the practice in the Swiss *Landesgemeinden*. In 1640 the *Landesgemeinde* of Glarus began to choose eight candidates for each office, who then drew lots among themselves. Fifty years later Schwyz followed this example. By 1793 the *Landesgemeinde* of Glarus was casting lots for all offices, including the cantonal secretaryship, the stewardships of dependent territories, *etc.* The winner often sold his office to the highest bidder. The practice was not totally abolished until 1837, and old men still remember the passing round of the eight balls, each wrapped in black cloth, seven being silvern and the eighth gilt. — Les Alpes Suisses: Études Historiques et Nationales, by Eugène Rambert (Lausanne, 1889), pp. 226, 276.

[3] Rules of the Steam-engine Makers Friendly Society, edition of 1837.

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on the committee or neglect to attend its stated meetings, and the next in rotation shall be called in his stead."[1] The rules of the Liverpool Shipwrights declared "that the committee shall be chosen by rotation as they stand in the books; and any member refusing to serve the office shall forfeit ten shillings and sixpence."[2] As late as 1843 we find the very old Society of Curriers resolving that for this purpose

a list with three columns be drawn up of the whole of the members, dividing their ages as near as possible in the following manner: the elder, the middle-aged and the young; so that the experience of the elder and the sound judgment of the middle-aged will make up for any deficiency on the part of the young.[3]

In some cases, indeed, the members of the committee were actually chosen by the officers. Thus in the ancient society of Journeymen Papermakers, where each "Grand Division" had its committee of eight members, it was provided that

to prevent imposition part of the committe shall be changed every three months, by four old members going out and four new ones coming in; also a chairman shall be chosen to keep order, which chairman, with the clerk, shall nominate the four new members which shall succeed the four old ones.[4]

[1] Rules of the Southern Amicable Union of Woolstaplers (London, 1837).

[2] Articles to be observed by the Association of the Friendly Union of Shipwrights, instituted in Liverpool on Tuesday, November 11, 1800 (Liverpool, 1800), Rule 19. The London Sailmakers resolved, in 1836, "that from this evening the calling for stewards shall begin from the last man on the committee, and that from and after the last steward the twelve men who stand in rotation on the book do form the committee." — MS. Minutes of general meeting, 26th September, 1836.

[3] MS. Minutes, January, 1843.

[4] Rules and Articles to be observed by the Journeymen Papermakers throughout England (1823), Appendix 18 to Report on Combination Laws, 1825. The only trade union in which this example still prevails is that of the Flint Glass Makers, where the rules until lately gave the secretary "the power to nominate a central committee (open to the objection of the trade), in whose hands the executive power of the society shall be vested from year to year." — Rules and Regulations of the National Flint Glass Makers Sick and Friendly Society (Manchester, 1890). This has lately been modified, in so far that seven members are now elected, the central secretary nominating four "from the district in which he resides, but open to the objection of the trade." — Rule 67 (Rules, reprinted with additions, Manchester, 1893).

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The early trade club was thus a democracy of the most rudimentary type, free alike from permanent officials and from a representative or executive. Each member had an equal and identical share in the government of the society, and we may trace the existence of a strong prejudice in the workman against the setting apart of any of his fellows to form an administrative or governing class. Persistent efforts are accordingly made, through fines and free refreshments, to secure the attendance of the whole body of the members. The general meeting strives itself to transact all the business, and grudgingly delegates any of its functions either to officers or to committees. When this delegation can no longer be avoided, the expedients of rotation and short periods of service are used "to prevent imposition" or any undue influence by particular members. In this earliest type of trade-union democracy we find, in fact, the most childlike faith not only that "all men are equal," but also that "what concerns all should be decided by all."

It is obvious that this form of democracy was compatible only with the smallest possible amount of business. But it was, in our opinion, not so much the growth of the financial and secretarial transactions of the unions as the exigencies of their warfare with the employers that first led to a departure from this simple ideal. The legal and social persecutions to which trade-unionists were subject, at any rate up to 1824, made secrecy and promptitude absolutely necessary for successful operations; and accordingly at all critical times we find the direction of affairs passing out of the hands of the general meeting into those of a responsible, if not a representative, committee. Thus the London Tailors, whose militant combinations between 1720 and 1834 repeatedly attracted the attention of Parliament,[1] had practically two constitutions, one for peace and one for war. In quiet times, the society was made up of little autonomous general meetings of members at the

[1] See the interesting Select Documents illustrating the History of Trade-Unionism: I. The Tailoring Trade, edited by F. W. Galton (New York, Longmans, 1896), being one of the "Studies" published by the London School of Economics and Political Science.

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thirty "houses of call" in London and Westminster, the arrangements corresponding essentially to those which we have described. The organization for war, as described in 1818 by Francis Place, was very different:

> Each house of call has a deputy, who on particular occasions is chosen by a kind of tacit consent, frequently without its being known to a very large majority who is chosen. The deputies form a committee, and these again choose, in a somewhat similar way, a very small committee, in whom, on very particular occasions, all power resides, from whom all orders proceed, and whose commands are implicitly obeyed; and on no occasion has it ever been known that their commands have exceeded the necessity of the occasion, or that they have wandered in the least from the purpose for which it is understood they are appointed. So perfect indeed is the organization, and so well has it been carried into effect, that no complaint has ever been heard; with so much simplicity and with so great certainty does the whole business appear to be conducted that the great body of journeymen rather acquiesce than assist in any way in it.[1]

Again, the protracted legal proceedings of the Scottish handloom weavers, ending in the great struggle when 30,000 looms from Carlisle to Aberdeen struck on a single day (November 10, 1812), were conducted by an autocratic committee of five, sitting in Glasgow, and periodically summoning from all the districts delegates who carried back to their constituents orders which were implicitly obeyed.[2] Throughout the dark days of smothered rebellion which preceded the repeal of the Combination Laws in 1824, the employers in all the organized trades complained bitterly of these "self-appointed" committees, and made repeated attempts to scatter them by prosecutions for combination or conspiracy. To this constant danger of prosecution may be ascribed some of the mystery which surrounds the actual constitution of these tribunals; but their appearance on the scene whenever an emergency called for strong action was a necessary consequence of the failure of the clubs to provide any constitutional authority of a representative character.

[1] *The Gorgon*, No. 20, October 3, 1818.

[2] Evidence before Committee on Artisans and Machinery, 1824, especially that of Richmond.

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So far we have dealt principally with trade clubs confined to particular towns or districts. When, in any trade, these local clubs united to form a federal union, or when one of them enrolled members in other towns, government by a general meeting of "the trade," or of all the members, became impracticable.[1] At this stage some kind of representative institutions would nowadays seem to have been inevitable. But it is sig-

[1] It is interesting to notice that a branch of a national union is still governed by the members in general meeting assembled; and for this and other reasons, it is customary for several separate branches to be established in large towns where the number of members becomes greater than can easily be accommodated in a single branch meeting-place. Such branches usually send delegates to a district committee, which thus becomes the real governing authority of the town or district. But in certain unions the idea of direct government by an aggregate meeting of the trade still so far prevails that, even in so large a center as London, resort is had to huge mass meetings. Thus the London Society of Compositors will occasionally summon its ten thousand members to meet in council to decide, in an excited mass meeting, the question of peace or war with their employers. And the National Union of Boot and Shoe Operatives, which in its federal constitution adopts a large measure of representative institutions, still retains in its local organization the aggregate meeting of the trade as the supreme governing body for the district. The shoemakers of London or Leicester frequently hold meetings at which the attendance is numbered by thousands, with results that are occasionally calamitous to the union. Thus, when in 1891 the men of a certain London firm had impetuously left their work contrary to the agreement made by the union with the employers, their branch called a mass meeting of the whole body of the London members (seven thousand attending), which, after refusing even to hear the union officials, decided to support the recalcitrant strikers, with the result that the employers "locked out" the whole trade. (Monthly report of the National Union of Boot and Shoe Operatives, November, 1891.) In 1893 the union executive found it necessary to summon at Leicester a special delegate meeting of the whole society to sit in judgment on the London members who had decided, at a mass meeting, to withdraw from the national agreement to submit to arbitration. The circular calling the delegate meeting contains a vivid description of the scene at this mass meeting: "The hall was well filled, and Mr. Judge, president of the union, took the chair. From the outset it was soon found that the rowdy element intended to again prevent a hearing, and thus make it impossible for our views to be laid before the bulk of the more intelligent and reasonable members. . . . If democratic unions such as ours are to have the meetings stopped by such proceedings, . . . if the members refuse to hear, and insult by cock-crowing and cat-calls their own accredited and elected executive, then it is time that other steps be taken." The delegate meeting, by 74 votes to 9, severely censured the London members, and reversed their decision (Circular of Executive Committee, March 14, 1893: Special Report of the Delegate Meeting at Leicester, April 17, 1893). In most unions, however, experience has shown that in truth "aggregate meetings" are "aggravated meetings," and has led to their abandonment in favor of district committees or delegate meetings.

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nificant to notice how slowly, reluctantly and incompletely the trade-unionists have incorporated in their constitutions what is often regarded as the specifically Anglo-Saxon form of democracy — the elected representative assembly, appointing and controlling a standing executive. Until the present generation, no trade union had ever formed its constitution on this model. It is true that in the early days we hear of[1] meetings of delegates from local clubs to adopt or amend the "articles" of their association. A "deputation" from nine local societies of carpenters met thus in London in 1827 to form the Friendly Society of Operative House Carpenters and Joiners, and subsequent meetings of a similar character were annually held to revise the rules and adjust the finances of this federation. It would have been a natural development for such a representative congress to appoint a standing committee and executive officers to act on behalf of the whole trade. But when between 1824 and 1840 the great national societies of that generation settled down into their constitutions, the congress of elected representatives either found no place at all, or else was called together only at long intervals and for strictly limited purposes. In no case do we see it acting as a permanent supreme assembly. The trade union met the needs of expanding democracy by altogether new expedients. Instead of a representative assembly, the supreme authority was, as in the local trade clubs, "the voices" of the whole community,

[1] In the History of Trade-Unionism, p. 46, we described the hatters as holding, in 1772, 1775 and 1777, "congresses" of delegates from all parts of the country. Further examination of the evidence (House of Commons Journals, vol. xxxvi; Place MS., 27,799–68; *Committee on Artizans and Machinery*) inclines us to believe that these "congresses," like another in 1816, comprised only delegates from the various workshops in London. We can discover no instance durring the eighteenth century of a trade-union gathering made up of delegates from the local clubs throughout the country. But though the congresses of the hatters probably represented only the London workmen, their "bye-laws" were apparently adopted by the clubs elsewhere, and came thus to be of national scope. Similar instances of national regulation by the principal center of a trade may be seen in the "resolutions" addressed "to the woolstaplers of England" by the London Society of Woolstaplers, and in the "articles to be observed by the Journeymen Papermakers throughout England," formulated at a meeting of the trade at large held at Maidstone. In the loose alliances of the local clubs in each trade, the chief trade center often acted, in fact, as the "governing branch."

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expressed in the referendum. Instead of a cabinet dependent on such an assembly, we have the unique institution of "the governing branch." And contrary to the practice alike of political governments and of joint stock corporations, we find the civil service of this trade-union world chosen, not by the executive committee, but by direct vote of the whole body of members. To understand the origin, development and working of this remarkable experiment in democratic constitutions, we must examine each of its component parts and the relation between them.

The first step in the transition from the loose alliance of separate local clubs into a national organization was the appointment of "a seat of government" or "governing branch." The members residing in one town were charged with the responsibility of conducting the current business of the whole society, as well as that of their own branch. The branch officers and the branch committee of this town accordingly became the central authority.[1] Here again the leading idea was not so much to get a government that was representative of the society as to make each section take its turn at the

[1] In some of the more elaborate trade-union constitutions formulated between 1820 and 1834 we find a hierarchy of authorities, none of them elected by the society as a whole, but each responsible for a definite part of the common administration. Thus the Rules and Articles to be observed by the Journeymen Papermakers in 1823 provide "that there shall be five Grand Divisions throughout England where all money shall be lodged, that when wanted it may be sent to any part where emergency may require." These "Grand Divisions" were the branches in the five principal centers of the trade, each being given jurisdiction over all the mills in the counties round about it. Above them all stood "No. 1 Grand Division" (Maidstone), which was empowered to determine business of too serious a nature to be left to any other Grand Division. This geographical hierarchy is interesting as having apparently furnished the model for most of the constitutions of the period, notably of the Owenite societies of 1833–1834, including the Builders Union and the Grand National Consolidated Trades Union itself. The same geographical hierarchy was a feature of the constitution of the Southern Amicable Society of Woolstaplers until the last revision of rules in 1892. In only one case has a similar hierarchy survived. The United Society of Brushmakers, established in the eighteenth century, is still divided into geographical divisions governed by the six head towns, with London as the center of communication. The branches in the West Riding, for instance, are governed by the Leeds committee, and when in 1892 the Sheffield branch had a strike, this was managed by the secretary of the Leeds branch.

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privileges and burdens of administration. The seat of government was accordingly always changed at short intervals, often by rotation. Thus the Steam-Engine Makers' rules of 1826 provide that

> the central branch of the society shall be held alternately at the different branches of this society, according as they stand on the books, commencing with Branch No. 1, and the secretary of the central branch shall, after the accounts of the former year have been balanced, send the books to the next central branch of the society.[1]

In other cases the seat of government was periodically determined by vote of the whole body of members, who appear usually to have been strongly biased in favor of shifting it from town to town. The reason appears in this statement by one of the lodges of the ironfounders :

> What, we ask, has been the history of nearly every trade society in this respect? Why, that when any branch or section of it has possessed the governing power too long, it has become careless of the society's interests, tried to assume irresponsible powers and invariably by its remissness opened wide the doors of peculation, jobbery and fraud.[2]

The institution of a "governing branch" had the advantage of being the cheapest machinery of central administration that could be devised. The far-reaching national union secured its executive committee, in fact, at no greater expense than a small local society. It is therefore not surprising that, with slight modifications which we shall hereafter describe, the governing branch has continued to form a feature in the majority of trade-union constitutions down to the present day. So long, indeed, as the function of the national executive was confined to that of a "center of communication" between practically autonomous local branches, or, to use the phrase of the Friendly Society of Operative Stonemasons, "a center of action that we may the more readily communicate with each other," no alteration

[1] Rule 19, in the Annual Report for 1837.

[2] Address of the Bristol branch of the Friendly Society of Ironfounders to the members at large (in Annual Report for 1849).

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in the machinery was necessary. The duties of the secretary, like those of his committee, were not beyond the competence of ordinary artisans working at their trade and devoting only their evenings to their official business. But with the multiplication of branches and the formation of a central fund, the secretarial work of a national union presently absorbed the whole time of a single officer, to whom, therefore, a salary had to be assigned. The salary naturally came from the common fund, and hence we need not wonder that the right of appointment passed, without question, from the branch meeting to "the voices" of the whole body of members. This new departure raised the general secretary, whose authority emanated from the whole body of members, to a position of real superiority over the local committee drawn from one geographical section of them, under whose direction he was nominally to work. But although the force of circumstances convinced one trade union after another of the absolute necessity of appointing a single person to undertake the executive work, there appeared to be no such necessity for any delegative power exercised by the members collectively. The supreme authority continued to be "the voices." Every proposition not covered by the original "articles," together with all questions of peace and war, had to be submitted to the votes of the members.[1] But this was not all. Each branch, in general meeting assembled, claimed the right to have any proposition whatsoever submitted to the vote of the society as a whole. And thus we find, in almost every trade union which has a history at all, a most

[1] The very ancient United Society of Brushmakers, which dates from the early part of the eighteenth century, retains to this day its archaic method of collecting "the voices." In London, said to be the most conservative of all the districts, no alteration of rule is made without "sending round the box" as of yore. In the society's ancient iron box are put all the papers relating to the subject under discussion, and a member out of employment is deputed to carry the box from shop to shop until it has traveled "all round the trade." When it arrives at a shop, all the men cease work and gather round; the box is opened, its contents are read and discussed, and the shop delegates are then and there instructed how to vote at the next delegate meeting. The box is then refilled and sent on to the next shop. Old minutes of 1829 show that this custom has remained unchanged, down to the smallest detail, for, at any rate, a couple of generations. It is probably nearly two centuries old.

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instructive series of experiments in the use, misuse and limitations of the referendum.

Such were the component parts of the typical trade-union constitution of the last generation. In a few cases it has survived, almost unchanged, down to the present day, just as its predecessor, the archaic local club governed by the general meeting, still finds representatives in the trade-union world. But wherever a trade union has maintained its vitality, this constitution has been progressively modified, whilst the most powerful of the modern unions have been formed on a different pattern. By noting the dangers and defects which led to the gradual alterations of the old type we shall not only appreciate the transitional character of the existing constitutional forms, but shall also gather from this varied experience of trade-union democracy some hints towards the solution, in a larger field, of the problem of uniting efficient administration with popular control.

The reader will have perceived that, in passing from a local to a national organization, the trade union unwittingly left behind the ideal of primitive democracy. The setting apart of one man from among the members to do the clerical work of the whole society destroyed the possibility of equal and identical service by all the members and laid the foundation of a separate governing class. The practice of requiring members to act in rotation was silently abandoned. Once chosen for his post, the general secretary could rely with confidence, unless he proved himself obviously unfit or grossly incompetent, on being annually reëlected. Spending all day at office work, he soon acquired a professional expertness quite out of the reach of his fellow-members who remained at the bench or the forge. And even if some other member possessed natural gifts equal or superior to the acquired skill of the existing officer, there was, in a national organization, no opportunity of making these qualities known. The general secretary, on the other hand, was always advertising his name and his personality to the thousands of members by the printed circulars and financial reports, which became the only link between the scattered

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branches, and which afforded positive evidence of his competency to perform the regular work of the office. With every increase in the society's membership, with every extension or elaboration of its financial system or trade policy, the position of the salaried official became, accordingly, more and more secure. The general secretaries themselves changed, moreover, with the development of their office. It was obvious, even when an actual vacancy had to be filled, that the post could not be taken by any ordinary artisan, and that some preliminary training in office work was almost indispensable. The coal-miners, for instance, as we have shown in our description of the trade-union world, have picked their secretaries to a large extent from a specially trained section, the checkweighmen.[1] The cotton operatives have even adopted what practically amounts to a system of competitive examination among the candidates for their staff appointments.[2] In other unions any candidate who has not proved his capacity for office work and trade negotiations would stand at a serious disadvantage in the election, where the choice is coming every day to be confined more clearly to the small class of minor officials. We see, in short, that the annual election of the general secretary by a popular vote, far from leading to frequent rotation of office and equal service by all the members, has, in fact, invariably resulted in permanence of tenure exceeding even that of the English civil servant. The paramount necessity of efficient administration has coöperated with this permanence in producing a progressive differentiation of an official governing class, more and more marked off by character, training and duties from the bulk of the members. It is accordingly interesting to notice that, in the later rules of some of the most influential of existing unions, the practical permanence of the official staff is tacitly recognized by the omission of all provision for reëlection. Indeed, the Amalgamated Association of Operative Cotton-spinners goes so far as expressly to provide in its rules

[1] History of Trade-Unionism, p. 291.

[2] *Ibid.*, p. 294; see also our article on "The Method of Collective Bargaining," in the *Economic Journal* for June, 1896, where a specimen examination paper is reprinted.

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that the general secretary "shall continue in office so long as he gives satisfaction."[1]

While everything was thus tending to exalt the position of the salaried official, the executive committee, under whose direction he was placed, being composed of men working at their trade, retained its essential weakness. Though modified in unimportant particulars, it continued in nearly all the old societies to be chosen only by one geographical section of the members. At first each branch served in rotation as the seat of government. This quickly gave way to a system of selecting the governing branch from among the more important centers of the trade. Moreover, though the desire periodically to shift the seat of this authority long manifested itself and still lingers in some trades,[2] the growth of an official staff, and the necessity of securing accommodations on some durable tenancy, has practically made the headquarters stationary, even if the change has not been expressly recorded in the rules. Thus the Friendly Society of Ironfounders has retained its head office in London since 1846, and the Friendly Society of Operative Stonemasons since 1883. The United Society of Boilermakers, which long wandered from port to port, has remained in Newcastle since 1880; and finally settled the question in 1888 by building itself palatial offices on a freehold site.[3] Here again the deeply rooted desire on the part of trade-union democrats to secure to each section an equal and identical share

[1] Rules of 1891.

[2] Notably the plumbers.

[3] Along with this change has gone the differentiation of national business from that of the branch. The committee work of the larger societies became more than could be undertaken, in addition to the branch management, by men giving only their evenings. We find, therefore, the central executive committee becoming a body distinct from the branch committee, sometimes (as in the United Society of Operative Plumbers) elected by the same constituents, but more usually by the members of all the branches within a convenient radius of the central office. Thus the Amalgamated Society of Carpenters gives the election to the members within twelve miles of the head office — that is, to the thirty-five branches in and near Manchester — and the Friendly Society of Ironfounders to the six branches of the London district. In the United Society of Boilermakers the twenty lodges in the Tyne district, each in rotation, nominate one of the seven members of which the executive committee is composed.

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in the government of the society has had to give way before the necessity of obtaining efficient administration. In ceasing to be movable the executive committee lost even such moral influence over the general secretary as was conveyed by an express and recent delegation by the remainder of the society. The salaried official, elected by the votes of all the members, could in fact claim to possess more representative authority than a committee whose functions as an executive depended merely on the accident of the society's offices being built in the town in which the members of the committee happened to be working. And as the general secretary developed into a trained official, dealing with a large and complicated business, it gradually became impossible for a committee of tired manual workers, meeting only in the evening, to exercise any effective control over his actions. In some societies, moreover, the idea of rotation of office has so far survived that the committeemen are elected for a short term and disqualified for reëlection. The result is that such inexperienced amateur and casually selected committeemen find themselves totally incompetent to resist, or even to criticise, any practical proposal that may be brought forward by the permanent trained professional whom they are supposed to direct and control.[1]

In face of so weak an executive committee the most obvious check upon the predominant power of the salaried officials was the elementary device of a written constitution. The ordinary workman, without either experience or imagination, fondly thought that the executive government of a great national organization could be reduced to a mechanical obedience to printed rules. We therefore watch in trade-union development the constant elaboration of the rules of the several societies, in the vain endeavor to leave nothing to the discretion of officers or committees. It was an essential part of the faith of these primitive democrats that the difficult and detailed work of drafting and amending these rules should not be delegated to

[1] The only organization, outside the trade-union world, in which the executive committee and the seat of government are changed annually, is, we believe, the Ancient Order of Foresters, the world-wide federal friendly society.

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any particular person or persons, but should be undertaken by "the body" or "the trade" in general meeting assembled.[1]

When a society spread from town to town, and a meeting of all the members became impracticable, the "articles" were settled, as we have mentioned, by a meeting of delegates, and any revision was undertaken by the same body. Accordingly, we find in the early history of such societies as the Ironfounders, Stonemasons, Carpenters, Coachmakers and Steam-Engine Makers frequent assemblies of delegates from the different branches, charged with supplementing or revising the somewhat tentative rules upon which the society had been based. But it would be a serious misconception to take these gatherings for "parliaments," with plenary power to determine the policy to be pursued by the society. The delegates came together only for specific and strictly limited purposes. Nor were even these purposes left to be dealt with at their discretion. In all cases that we know of the delegates were bound to decide according to the votes already taken in their respective branches. In many societies, indeed, the delegate was merely the vehicle by which "the voices" of the members were mechanically conveyed. Thus the Friendly Society of Operative Stonemasons, at that time the largest and most powerful trade union, held annual delegate meetings between 1834 and 1839 for the sole purpose of revising its rules. How

[1] This preference of trade-unionists for making their own rules will remind the political student that "direct legislation by the people" has an older and wider history with regard to the framing and revising of constitutions than with regard to ordinary legislation. Thus, already in 1779 the citizens of Massachusetts insisted on asserting, by popular vote, that a constitution should be framed, and equally on deciding that the draft prepared should be adopted. In 1818 the Connecticut constitution included a provision that any particular amendment to it might be submitted to the popular vote. In Europe the first constitution to be submitted to the same ordeal was the French constitution of 1793, which, though adopted, never came into force. The practice became usual with regard to the Swiss cantonal constitutions after the French Revolution of 1830, St. Gall leading the way in July, 1831. See the elaborate treatise of Charles Borgeaud on The Adoption and Amendment of Constitutions (New York, 1895); Bryce's The American Commonwealth (London, 1891); and Le Referendum, by Simon Deploige (Brussels, 1892), of which an English translation by C. P. Trevelyan will shortly be published by the London School of Economics and Political Science.

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limited was the power of this assembly may be judged from the following extract from an address of the central executive :

As the delegates are about to meet, the Grand Committee submit to all lodges the following resolutions in reference to the conduct of delegates. It is evident that the duty of delegates is to vote according to the instructions of a majority of their constituents, therefore they ought not to propose any measure unless recommended by the Lodges or Districts they represent. To effect this we propose the following resolutions : that each Lodge shall furnish their delegates with written instructions how to vote on each question they have taken into their consideration, and that no delegate shall vote in opposition to his instructions, and when it appears by examining the instructions there is a majority for any measure, it shall be passed without discussion.[1]

The delegate meeting of 1838 agreed with this view. All lodges were to send resolutions for alterations of rules two months before the delegate meeting ; they were to be printed in the Fortnightly Return, and discussed by each lodge ; the delegate was then to be instructed as to the sense of the members by a majority vote ; and only if there was no decided majority on any point was the delegate to have discretion as to his vote. But even this restriction did not satisfy the Stonemasons' idea of democracy. In 1837 the Liverpool Lodge demanded that "all the alterations made in our laws at the grand delegate meeting" shall be communicated to all the lodges "for the consideration of our society before they are printed."[2] The central executive mildly deprecated such a course, on the ground that the amendment and passing of the law would under those circumstances take up the whole time of the society until the next delegate meeting came round. The request, however, was taken up by other branches, and by 1844 we find the practice established of making any necessary amendment in the rules by merely submitting the proposal in the Fortnightly Return, and adding together the votes taken in each lodge meeting. A similar change took place in such other

[1] Fortnightly Return, May, 1836 (the circular issued fortnightly to all the branches by the executive committee).

[2] Fortnightly Return, May, 1837.

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great societies as the Ironfounders, Steam-Engine Makers and Coachmakers. The great bulk of the members saw no advantage in incurring the very considerable expense of paying the coach fares of delegates to a central town and maintaining them there at the rate of six shillings a day,[1] when the introduction of penny postage made possible the circulation of a fortnightly or monthly circular, through the medium of which their votes on any particular proposition could be quickly and inexpensively collected. The delegate meeting became, in fact, superseded by the referendum.[2]

By the term referendum the modern student of political institutions understands the submission to the votes of the whole people of any measure deliberated on by the representative assembly. Another development of the same principle is what is called the initiative, that is to say, the right of a section of the community to insist on its proposals being taken into consideration by the representative assembly. As a representative assembly formed no part of the earlier trade-union constitutions, both the referendum and the initiative took with them the crudest shape. Any new rule or amendment of a rule, any proposed line of policy or particular application of it, might be straightway submitted to the votes of all the members. Nor was this practice of consulting the members confined to the central executive. Any branch might equally have any proposition put to the vote through the medium of the society's official circular. And however imperfectly the question was

[1] In 1838 a large majority of the lodges of the Friendly Society of Operative Stonemasons voted "that on all measures submitted to the consideration of our Society, the number of members be taken in every Lodge for and against such a measure, and transmitted through the district Lodges to the Seat of Government, and in place of the number of Lodges, the majority of the aggregate members to sanction or reject any measures." — Fortnightly Return, January 19, 1838.

[2] It is interesting to find that in at least one trade union the introduction of the referendum is directly ascribed to the circulation in England in 1850 and 1860 of translations of pamphlets by M. Rittinghausen and Victor Considérant. It is stated in the Typographical Circular for March, 1889, that John Melson, a Liverpool printer, got the idea of "Direct Legislation by the People" from these pamphlets, and urged its adoption on the union, at first unsuccessfully, but at the 1861 delegate meeting with the result that the referendum was adopted as the future method of legislation.

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framed, however inconsistent the result might be with the society's rules and past practice, the answer returned by the members' votes was final and instantly operative. Those who believe that pure democracy implies the direct decision, by the mass of the people, of every question as it arises, will find this ideal realized without check or limit in the history of the larger trade unions between 1834 and 1870. The result was significant and full of political instruction. Whenever the union was enjoying a vigorous life we find, to begin with, a wild rush of propositions. Every active branch had some new rule to suggest, and every issue of the official circular was filled with crude and often inconsistent projects of amendment. The executive committee of the United Kingdom Society of Coachmakers, for instance, had to put no fewer than forty-four propositions simultaneously to the vote in a single circular.[1]

It is, indeed, difficult to convey any adequate idea of the variety and in some cases the absurdity of these propositions. To take only those recorded in the annals of the Stonemasons between 1838 and 1839: We have one branch proposing that the whole society should go in for payment by the hour, and another that the post of general secretary should be put up to tender, "the cheapest to be considered the person to be elected to that important office."[2] We have a delegate meeting referring to a vote of the members the momentous question whether the central executive should be allowed "a cup of ale each per night," and the central executive taking a vote as to whether all the Irish branches should not have Home Rule forced upon them. The members, under fear of the coming Parliamentary enquiry, vote the abolition of all "regalia, initiation and pass-words," but reject the proposition of the Newcastle Lodge "for reducing the hours of labor as the only method of striking at the root of all our grievances." The central executive is driven to protest against "the continual state of agitation in which the society

[1] Quarterly Report, June, 1860.

[2] The sale of public offices by auction to the highest bidder was a frequent incident in the Swiss *Landesgemeinden* of the seventeenth century. See Eugène Rambert's Les Alpes Suisses: Études Historiques et Nationales, p. 225.

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has been kept for the last ten months by the numerous resolutions and amendments to laws, the tendency of which can only be to bring the laws and the society into disrespect."[1] As other unions come to the same stage in development, we find a similar result. "It appears," complains the executive committee of the Friendly Society of Ironfounders, "that we have got into a regular proposition mania. One branch will make propositions simply because another does; hence the absurd and ridiculous propositions that are made."[2] The system worked most disastrously in connection with the rates of contributions and benefits. It is not surprising that the majority of workmen should have been unable to appreciate the need for expert advice on these points, or that they should have disregarded all actuarial considerations. Accordingly, we find the members always reluctant to believe that the rate of contribution must be raised, and generally prone to listen to any proposal for extending the benefits — a popular bias which led many societies into bankruptcy. Still more disintegrating in its tendency was the disposition to appeal to the votes of the members against the executive decision that particular individuals were ineligible for certain benefits. In the United Kingdom Society of Coachmakers, for instance, we find the executive bitterly complaining that it is of no use for them to obey the rules, and rigidly to refuse accident benefit to men who are suffering simply from illness; as in almost every case the claimant's appeal to the members, backed by eloquent circulars from his friends, has resulted in the decision being overruled.[3] The Friendly Society of Ironfounders took no fewer than nineteen votes in a single year, nearly all on details of benefit administration.[4] And the executive of the Stonemasons had early occasion to protest against the growing practice under which branches, preparatory to taking a vote, sent circulars throughout the society in support of their claims to the redress of what they deemed to be personal grievances.[5]

[1] Fortnightly Return, July, 1838.
[2] Ironfounders Monthly Report, April, 1855.
[3] United Kingdom Society of Coachmakers, Quarterly Report, September, 1859.
[4] Report for 1869.
[5] Fortnightly Circular, January 18, 1849.

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The disadvantages of a free resort to the referendum soon became obvious to thoughtful trade-unionists. It stands to the credit of the majority of the members that wild and absurd propositions were almost uniformly rejected; and in many societies a similar fate became customary in case of any proposition that did not emanate from the responsible executive. The result in these cases was the practical abandonment of the initiative. Branches got tired of sending up proposals which uniformly met with defeat. But the right of the whole body of members themselves to decide on every question that might arise was too much bound up with their idea of democracy to permit of its being directly abrogated, or even expressly criticised. Where the practice did not die out from sheer weariness, it was quietly got rid of in other ways. What happened was that in one society after another the central executive and the general secretary — the men who were in actual contact with the problems of administration — silently threw their influence against the practice of appealing to the members' vote. Thus the executive committee of the United Society of Coachmakers made a firm stand against the members' habit of overruling its decision in the grant of benefits under the rules. The executive claimed the sole right to decide who was eligible under the rules, and refused to allow discontented claimants to appeal through the official circular. This caused great and recurring discontent; but the executive committee held firmly to their position and eventually maintained it. When thirteen branches of the Operative Bricklayers Society proposed in 1868 that the age for superannuation should be lowered and the office expenses be curtailed, the general secretary bluntly refused to submit such inexpedient proposals to the members' vote, on the excuse that the question could be dealt with at the next delegate meeting.[1] The next step was to restrict the number of opportunities for appeals on any questions whatsoever. The Coachmakers' executive announced that, in future, propositions would be put to the vote only in the annual report, instead of quarterly as heretofore, and this restriction was a few years later embodied

[1] Monthly Circular, April, 1868.

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in the rules.[1] Even more effectual was the enactment of a rule throwing the expense of taking a vote upon the branch which had initiated it, in case the verdict of the society proved to be against the proposition. Another device was to seize the occasion of a systematic revision of rules to declare that no proposition for their alteration was to be entertained for a specified period: one year, said the General Union of Carpenters in 1863; three years, declared the Friendly Society of Operative Stonemasons in 1878; ten years, ordained the Operative Bricklayers Society in 1889.[2] Finally, we have the referendum abolished altogether, as regards the making or alteration of rules. In 1866 the delegate meeting of the Amalgamated Society of Carpenters decided that the executive should "not take the votes of the members concerning any alteration or addition to rules, unless in cases of great emergency, and then only on the authority of the General Council."[3] In 1878 the Stonemasons themselves, who forty years previously had been enthusiastic in their passion for voting on every question whatsoever, accepted a rule which confined the work of revision to a specially elected committee.

Thus we see that half a century of practical experience of the initiative and the referendum has led, not to its extension, but to an even stricter limitation of its application. Two main reasons for this evolution in trade-union history may be traced. The attempt to secure the participation of every member in the management of his society was found to lead to instability in legislation, dangerous unsoundness of finance and general weakness of administration. The result was the early abandonment of the initiative either by express rule or through the persistent influence of the executive. Where branches insisted on their right, the members practically took the matter into their own hands by steadily negativing all propositions which were not endorsed by executive approval. This, however, produced a further shifting of the balance of power in trade-union constitutions.

[1] Quarterly Report, November, 1854. Rules of 1857.
[2] Monthly Report, October, 1889.
[3] Monthly Circular, April, 1866.

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When the right of putting questions to the vote came practically to be confined to the executive, the referendum ceased to provide the members with any effective control. If the executive could choose the issues to be submitted, the occasion on which the question should be put, and the form in which it should be couched, the referendum, far from supplying any counterpoise to the executive, was soon found to be an immense addition to its power. Any change which the executive desired could be stated in the most plausible terms and supported by convincing arguments, which almost invariably secured its adoption by a large majority. Any executive resolution could, when occasion required, thus be given the powerful moral backing of a plebiscitary vote. The reliance of trade-union democrats on the referendum resulted, in fact, in the virtual exclusion of the general body of members from all real share in the government. And when we remember the practical subordination of the executive committee to its salaried permanent officer, we shall easily understand that the ultimate effect of such a referendum as we have described was a further strengthening of the influence of the general secretary, who drafted the propositions, wrote the arguments in support of them, and edited the official circular which formed the only means of communication with the members.

We see, therefore, that almost every influence in the trade-union organization has tended to magnify and consolidate the power of the general secretary. If democracy could furnish no other expedient of popular control than the mass meeting, the annual election of public officers, the initiative and the referendum, trade-union history makes it quite clear that the mere pressure of administrative needs would inevitably result in the general body of citizens losing all effective control over the government. It would not be difficult to point to influential trade unions at the present day which, possessing only a single permanent official, have not progressed beyond the stage of what is virtually a personal dictatorship. But it so happens that the very development of the union and its business which tends, as we have seen, to increase the influence of the general secretary,

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calls into existence a new check upon his personal authority. If we examine the constitution of a bank or joint stock company, or any other organization not formed by the working class, we shall find it almost invariably the rule that the chief executive officers are appointed, not by the members at large, but by the governing committee, and that these officers are allowed a free hand, if not absolute power, in the choice and dismissal of their subordinates. Any other plan, it is contended, would seriously detract from the efficient working of the organization. Had the trade unions adopted this course, it is obvious that the general secretary would have been absolutely supreme. But working-class organizations in England have, almost without exception, tenaciously clung to the direct election of all officers by the general body of members. Whether the post to be filled be that of assistant secretary at the head office or district delegate to act for one part of the country, the members have jealously retained the appointment in their own hands. In the larger trade societies of the present day the general secretary finds himself, therefore, at the head, not of a staff of docile subordinates who owe office and promotion to himself, but of a number of separately elected functionaries, each holding his appointment directly from the members at large.[1] Any attempt at a personal dictatorship is thus quickly checked. There is more danger that friction and personal jealousies may unduly weaken the administration. But the usual result is the close union of all the salaried officials to conduct the business of the society in the way they think best. Instead of a personal dictatorship, we have, therefore, a closely combined and practically irresistible bureaucracy.

Under a constitution of this type the trade union may attain a high degree of efficiency. The United Society of Boilermakers and Ironshipbuilders (established 1832 ; membership in

[1] Even the office staff has been, until quite recently, invariably recruited by the members from the members; and only in a few unions has it begun to be realized that a shorthand clerk or trained bookkeeper, chosen by the general secretary or the executive committee, can probably render better service at the desk than the most eligible workman trained to manual labor. The Operative Bricklayers Society, however, lately allowed their executive committee to appoint a shorthand clerk.

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December, 1895, 39,629), for instance, is admittedly one of the most powerful and best conducted of English trade societies. For the last twenty years its career, alike in good times and bad, has been one of continuous prosperity. For many years past it has dominated all the shipbuilding ports, and it now includes practically every ironshipbuilder in the United Kingdom. As an insurance company it has succeeded in paying, even in the worst years of an industry subject to the most acute depressions, benefits of an unusually elaborate and generous character. Notwithstanding these liberal benefits, it has built up a reserve fund of no less than £154,000. Nor has this prosperity been attained by any neglect of the militant side of trade-unionism. The society, on the contrary, has the reputation of exercising stricter control over the conditions of its members' work than any other union. In no trade, for instance, do we find a stricter and more universally enforced limitation of apprentices, or a more rigid refusal to work with non-unionists. And, as we have elsewhere described, no society has more successfully concluded and enforced elaborate national agreements applicable to every port in the kingdom. Moreover, this vigorous and successful trade policy has been consistent with a marked abstention from strikes — a fact due not only to the financial strength and perfect combination of the society, but also to the implicit obedience of its members, and the ample disciplinary power vested in and exercised by the central executive.

The efficiency and influence of this remarkable union is, no doubt, largely due to the advantageous strategic position which has resulted from the extraordinary expansion of ironshipbuilding. It is interesting, however, to notice what a perfect example it affords of a constitution retaining all the features of the crudest democracy, but becoming, in actual practice, a bureaucracy in which effective popular control has sunk to a minimum. The formal constitution of the Boilermakers Society still includes all the typical features of the early trade union. The executive government of this great national society is vested in a constantly changing committee, the members of which,

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elected by a single district, serve only for twelve months, and are then ineligible for reëlection during three years. All the salaried officials are separately elected by the whole body of members, and hold their posts only for a prescribed term of two to five years. Though provision is made for a delegate meeting in case the society desires it, the rules, and even the rates of contribution and benefit, can be altered by aggregate vote; and even if a delegate meeting assembles, its amendments have to be submitted to the votes of the branches in mass meeting. Any branch, moreover, may insist that any proposition whatsoever shall be submitted to this same aggregate vote. The society, in short, still retains the form of a trade-union democracy of the crudest type.[1]

But although the executive committee, the branch meeting and the referendum occupy the main body of the society's rules, the whole policy has long been directed and the whole administration conducted exclusively by an informal cabinet of permanent officials which is unknown to the printed constitution. Twenty years ago the society had the good fortune to elect as general secretary Mr. Robert Knight, a man of remarkable ability and strength of character, who has remained the permanent premier of this little kingdom. During his long reign, there has grown up around him a staff of younger officials, who, though severally elected on their individual merits, have been in no way able to compete with their chief for the members' allegiance. These district delegates are nominally elected only for a term of two years, just as the general secretary himself is elected only for a term of five years. But, for the reasons we have given elsewhere, all these officials enjoy a permanence of tenure practically equal to that of a judge. Mr. Knight's unquestioned superiority in trade-union statesmanship, together with the invariable support of the executive committee, have enabled him to construct out of the nominally independent district delegates a virtual cabinet, alternately serving as counsellors on high issues of policy and as ministers

[1] Some modifications of the constitution have recently been made, but have not yet come into effect.

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carrying out in their own spheres that which they have in council decided. From the written constitution of the society, we should suppose that it was from the evening meetings of the little Newcastle committee of working platers and riveters that emanated all those national treaties and elaborate collective bargains with the associated employers that have excited the admiration of economic students. But its unrepresentative character, the short term of service of its members and the practical rotation of office make it impossible for the constantly shifting executive committee to exercise any effective influence over even the ordinary routine business of so large a society. The complicated negotiations involved in national agreements are absolutely beyond its grasp. What actually happens is that, in any high issue of policy, Mr. Knight summons his district delegates to meet him in council at London or Manchester, to concert and even to conduct with him the weighty negotiations which the Newcastle executive formally endorses. And although the actual administration of the benefits is conducted by the branch committees, the absolute centralization of funds and the supreme disciplinary power vested in the executive committee make that committee, or rather the general secretary, as dominant in matters of finance as in trade policy. The only real opportunity for an effective expression of the popular will comes to be the submission of questions to the aggregate vote of the branches in mass meeting assembled. It is needless to point out that a referendum of this kind, submitted through the official circular in whatsoever terms the general secretary may choose, and backed by the influence of the permanent staff in every district, comes to be only a way of impressing the official view on the whole body of members. The actual result has for many years been to make the general secretary and his informal cabinet absolutely supreme.

In the case of the Boilermakers, government by an informal cabinet of salaried officials has, up to the present time, been highly successful. It is, however, obvious that a less competent statesman than Mr. Knight would find great difficulty in

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welding into a united cabinet a body of district officers separately responsible to the whole society, and nominally subject only to their several district committees. Under these circumstances any personal friction or disloyalty might easily paralyze the whole trade policy, upon which the prosperity of the society depends. Moreover, though under Mr. Knight's upright and able government the lack of any supervising authority has not been felt, it cannot but be regarded as a defect that the constitution provides no practical control over a corrupt, negligent or incompetent general secretary. The only persons in the position to criticise effectually the administration of the society are the salaried officials themselves, who would naturally be indisposed to risk their offices by appealing, against their official superior, to the uncertain arbitrament of an aggregate vote. Finally, it must be observed that, however successful this bureaucratic cabinet may be, the government, with all its parade of democratic form, secures in reality to the ordinary plater or riveter little if any active participation in the central administration of his trade union. No real opportunity is given to him for expressing his opinion ; and, indeed, no call is made upon his intelligence for the formation of any opinion whatsoever. In short, the Boilermakers, so long as they enjoy the invaluable services of Mr. Knight, secure efficient administration at the expense of losing all the educative influences and safeguards of democracy.

Among the well-organized coal miners of the North of England the theory of "direct legislation by the people" is still in full force, with the result that their unions present a marked contrast to that of their neighbors, the boilermakers. Thus, the 18,482 members of the Northumberland Miners Mutual Confident Association (established 1863) decide every question of policy, and even many merely administrative details, by the votes taken in the several lodge meetings ;[1] and although a delegate meeting is held every quarter, and by a rule of 1894 is expressly declared to "meet for the purpose of deliberating

[1] See, for instance, the twenty-five separate propositions voted on in a single batch, June 9, 1894. — Northumberland Miners Minutes, 1894, pp. 23–26.

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free and untramelled upon the whole of the programme," its function is strictly limited to expressing its opinion, the entire list of propositions being then "returned to the lodges to be voted on."[1] The executive committee, moreover, is elected not by the delegates, but by the general body; and the members, who retire after only six months' service, are ineligible for reëlection. Finally, we have the fact that the officers are dependent neither on the executive committee nor on the delegate meeting, but are themselves elected by the members at large. To this lack of organic connection between the different parts of the constitution, the student will perhaps attribute a certain instability of policy manifested in successive popular votes. In June, 1894, a vote of all the members was taken on the question of joining the Miners Federation, and an affirmative result was reached by 6730 to 5807. But in the very next month, when the lodges were asked whether they were prepared to give effect to the well-known policy of the Federation and claim the return of reductions in wages amounting to sixteen per cent, which they had accepted since 1892, they voted in the negative by more than two to one; and

[1] Rule 15. We see here a curious instance of the express separation of the deliberative from the legislative function, arising out of the inconvenient results of the use of the imperative mandate. The committee charged with the revision of the rules in 1893–1894 reported that "the present mode of transacting business at delegate meetings has long been felt to be very unsatisfactory. Suggestions were sent in for programme which are printed and remitted to the lodges, and delegates are then sent with hard and fast instructions to vote for or against as the case may be. It not unfrequently happens that delegates are sent to support a vote against suggestions which are found to have an entirely different meaning, and may have a very different effect from those expected by the lodges when voting for them. To avoid the mischief that has frequently resulted from our members thus committing themselves to suggestions upon insufficient information, we suggest that after the programmes have been sent to the lodges, lodges send their delegates to a meeting to deliberate on the business, after which they shall return and report the results of the discussion and then forward their votes by proxy to the office. To carry out this principle, which we consider is of the greatest possible interest and importance to our members, no more meetings will be required or expense incurred than under the present system, while on the other hand lodges will have the opportunity of casting their votes on the various suggestions with full information before them, instead of in the absence of this information in most cases, as at present." — Report of February 3, 1894, in Northumberland Miners Minutes, 1894, p. 87.

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backed this up by an equally decisive refusal to contribute towards the resistance of other districts. "They had joined a Federation knowing its principles and its policy, and immediately after joining they had rejected the principles they had just embraced," was the comment of one of the members of their own executive committee.[1] This inconsistent action led to much controversy, and the refusal of the Northumberland men to obey the decision of the special conference, the supreme authority of the Federation, was declared to be inconsistent with their remaining members of the organization. Nevertheless, in July, 1894 they again voted, by 8445 to 5507, in favor of joining the Federation, despite the powerful adverse influence of their executive committee. The Federation officials not unnaturally asked whether the renewed application for membership might now be taken to imply a willingness to conform to the policy of the organization which it was wished to join. On this a further vote was taken by lodges, when the proposition to join was negatived by a majority of over five to one.[2]

It may be objected that, in this instance of joining the Miners Federation, the question at issue was one of great difficulty and of momentous import to the union, and that some hesitation on the part of the members was only to be expected. We could, however, cite many similar instances of contradictory votes by the Northumberland men, on both matters of policy and points of internal administration. We suggest, indeed, that their experience is only another proof

[1] Report of Conference, September 23, 1893, in Northumberland Miners Minutes, 1893.

[2] It should be explained that the referendum among the Northumberland Miners takes two distinct forms, the "ballot," and the so-called "proxy voting." Questions relating to strikes, and any others expressly ordered by the delegate meeting, are decided by a ballot of the members individually. The ordinary business remitted from the delegate meeting to the lodges is discussed by the general meeting of each lodge, and the lodge vote or "proxy" is cast as a whole according to the bare majority of those present. The lodge vote counts from one to thirty, in strict proportion to its membership. It is interesting to note (though we do not know whether any inference can be drawn from the fact) that the two votes in favor of the Federation were taken by ballot of the members, whilst those against it were taken by the "proxy" of the lodges.

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that, whatever advantages may be ascribed to government by the referendum, it has the capital drawback of not providing the executive with any policy. In the case of the Northumberland Miners Union, the result has been a serious weakening of its influence, and, on more than one occasion, the gravest danger of disintegration.[1] Fortunately, the union has enjoyed the services of executive officers of perfect integrity, and of exceptional ability and experience. These officers have throughout had their own clearly defined and consistent policy, which the uninformed and contradictory votes of the members have failed to control or modify.

It will not be necessary to give in detail the constitution of the Durham Miners Association (established 1869), since this is, in essential features, similar to that of the Northumberland Miners.[2] But it is interesting to notice that the Durham experience of the result of government by the referendum has been identical with that of Northumberland,[3] and even more detrimental to the organization. The Durham Miners Association, notwithstanding its closely concentrated 58,274 members, fails to exercise any important influence on the trade-union world, and even excites complaints from the employers as to "its internal weakness." The Durham coal-owners declare that, with the council overruling the executive, and the ballot vote reversing the decision of the council, they never know when they have arrived at a settlement, or how long that settlement will be enforced on a recalcitrant lodge.

It is significant that the newer organizations which have sprung up in these same counties in direct imitation of the miners' unions give much less power to the members at large.

[1] See, for instance, the report of the special conference of September 23, 1893, expressly summoned to resist the "disintegration of our Association." — Northumberland Miners Minutes, 1893.

[2] In the Durham Miners Association the election of officers is nominally vested in the council, but express provision is made in the rules for each lodge to "empower" its delegate how to vote.

[3] This may be seen, for instance, from the incidental references to the Durham votes given in the Miners Federation Minutes, 1893–1894; or, with calamitous results, in the history of the great Durham strike of 1892; or in that of the Silkstone strike of 1891. The Durham Miners Minutes are not accessible to any non-member.

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Thus the Durham Cokemens and Laborers Association, which, springing out of the Durham Miners Association in 1874, follows in its rules the actual phrases of the parent organization, vests the election of its executive committee and officers in a supreme "council." Much the same may be said of the Durham County Colliery Enginemens Mutual Aid Association, established 1872; the Durham Colliery Mechanics Association, established 1879; and (so far as regards the election of officers) the Northumberland Deputies Mutual Aid Association, established 1887.

If, therefore, democracy means that everything which "concerns all should be decided by all," and that each citizen should enjoy an equal and identical share in the government, trade-union history indicates clearly the inevitable result. Government by such contrivances as rotation of office, the mass meeting, the referendum and the delegate restricted by his imperative mandate leads straight either to inefficiency and disintegration, or to the uncontrolled dominance of a personal dictator or an expert bureaucracy. Dimly and almost unconsciously this conclusion has, after a whole century of experiment, forced itself upon the more advanced trades. The old theory of democracy, it is true, still survives in full strength, and constantly comes to the front when any organization has to be formed for brand-new purposes;[1] but it is significant that the last twenty years

[1] We may refer, by way of illustration, to the frequent discussions during 1894–1895 among the members of the political association styled the "Independent Labor Party." On the formation of the Hackney Branch, for instance, the members "decided that no president and no executive committee of the branch be appointed, its management devolving on the members attending the weekly conferences" (*Labour Leader*, January 26, 1895). Nor is this view confined to the rank and file. The editor of the *Clarion* himself, perhaps the most influential man in the party, expressly declared in his leading article of November 3, 1894: "Democracy means that the people shall rule themselves; that the people shall manage their own affairs; and that their officials shall be public servants, or delegates, deputed to put the will of the people into execution. . . . At present there is too much sign of a disposition on the part of the rank and file to overvalue the talents and usefulness of their officials. . . . It is tolerably certain that in so far as the ordinary duties of officials and delegates, such as committeemen or members of Parliament, are concerned, an average citizen, if he is thoroughly honest, will be found quite clever enough to do all that is needful. . . . Let all officials be retired after one year's services, and fresh ones elected in their place."

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have witnessed a marked change in trade-union constitutions. The old ideal of the rotation of office among all the members in succession has been practically abandoned. Resort to the aggregate meeting diminishes steadily in frequency and importance. The use of the initiative and the referendum has been silently given up in all complicated issues, and has been gradually limited to a few special questions on particular emergencies. The delegate finds himself every year dealing with more numerous and more complex questions, and tends therefore inevitably to exercise the larger freedom of a representative. Finally, we have the appearance in the trade-union world of the typical form of democracy in its modern sense, the elected representative assembly, appointing and controlling an executive committee under whose direction the permanent official staff performs its work. The working of this form is reserved for treatment in another paper.

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AN ANALYSIS OF AGRICULTURAL DISCONTENT IN THE UNITED STATES. I.

Introduction.

THE closing years of the nineteenth century are witnessing the unusual spectacle of restless discontent on the part of the tiller of the soil. Nearly every civilized country has its agrarian problem in one form or another. In England few expressions are more familiar than that of agricultural depression. Germany has a storm center of agrarian difficulties. Even the peasants of France, concerning whose stoical contentment and conservative influence in political affairs so much has been said,[1] have in recent years become aroused, and clamor for activity in behalf of their interests on the part of the government. A similar state of affairs appears to exist among the farming classes of the other nations of Europe. A writer in an English periodical[2] in 1893 thus sums up the situation:

> Almost everywhere, certainly in England, France, Germany, Italy, Scandinavia and the United States, the agriculturists, formerly so instinctively conservative, are becoming fiercely discontented, declare they have gained less by civilization than the rest of the community, and are looking about for remedies of a drastic nature. In England they are hoping for aid from councils of all kinds; in France they have put on protective duties which have been increased in vain twice over; in Germany they put on and relaxed similar duties, and are screaming for them again; in Scandinavia — Denmark more particularly — they limit the aggregation of land; and in the United States they create organizations like the Grangers, the Farmers' League and the Populists.

It has become customary to speak of the rural population as a counterpoise in political affairs to the artisans of the cities. Until recently the practical politician expected comparatively little shifting in the political allegiance of his rural constituents:

[1] Rae, Contemporary Socialism, p. 41.
[2] *The Spectator*, vol. lxx, 1893, p. 247.

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the voters in cities were the uncertain element in his game. The isolation of the agriculturists renders it difficult for them to be suddenly moved by a common impulse, such as is necessary to break party ties and cause a cleavage from traditional political connections. A property interest in the soil, such as is secured by the general prevalence of land ownership or an equitable system of tenantry, is also a most influential factor in rendering the farmer instinctively cautious and conservative. In the vigorous language of an English writer: "Peasant proprietorship is the one great force in a democratic country which opposes most strongly the doctrines of plunder and confiscation." [1] In view, therefore, of the traditional habit of mind of rural populations, their present condition of unrest in nearly every civilized land is most extraordinary. During the past few years this condition in the United States has produced a political party which, gaining rapidly in power, disrupting the political associations of a lifetime and disappointing the calculations of the most astute politicians, has captured the electoral vote of several states and placed a number of its representatives in each house of Congress.

Such considerations — the prevalence of agrarian problems throughout the civilized world, their unexpected character and the precipitation of the disturbed state of the agricultural mind in the United States into a formidable political organization — cannot but enlist the interest of the student of economic and social relations. In a country like our own, endowed by nature with such lavish abundance and fertility of soil, discontent among the agricultural classes is an unusually fascinating subject for study. It is the purpose of this essay to analyze this discontent with the object of determining to what extent it rests upon economic grievances, how far its explanation is found in a growth of social wants, to what degree it can be attributed to the nature of the farmer's business, and

[1] *Quarterly Review*, vol. clxxvi, 1893, p. 539. "The French peasant, no matter how small his holding is, will always vote for the *de facto* government; he will do this if he only owns two acres, never tastes meat and works fourteen hours a day; while the Parisian workman, though he is better housed, better clothed, better fed and better educated, will always vote for upsetting it." — *Ibid.*, 538, 539.

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how much it has been intensified in recent years by special conditions.

For the purpose of determining the economic condition of the American farmer, I shall consider in the present study the relative increase of rural and urban populations, the relative increase of rural and urban wealth, and the relation of agriculture to transportation. A second study will be occupied with the increase of farm mortgages and farm tenants, and the remedies proposed in the interest of the farmer. A third or concluding study will consider to what extent social influences, the nature of the farmer's business, and special causes, in addition to economic conditions, have promoted the discontent of the American farmer.

I. The Significance of the Relative Increase of Rural and Urban Populations.

No fact of our time is more noteworthy than the rapid multiplication and concentration of population in cities.[1] The census of 1790 showed that in the United States 3.35 per cent of the population lived in cities of 8000 or over, while in 1880 the percentage was 22.57, and in 1890 it had risen to 29.2. From 1880 to 1890, while the whole population gained 24.86 per cent, that of cities increased 61 per cent, and the farming population 15 per cent.[2] Of every 100 increase of population during the same decade only an average of 33 made their homes in the country and in villages of less than 1000 inhabitants; the other 67 resided in centers of population of 1000 or over.[3] Thus, during the first century of our national life, the proportion of the population subject to the conditions of urban life increased from one-thirtieth to almost one-third.

Such facts are pointed to by some as evidence that American agriculture is unprofitable and in process of decline. That such a conclusion is necessary, however, does not follow. In every

[1] Albert Shaw, Municipal Government in Great Britain, pp. 12–19. Albert Shaw, *The Century*, vol. xxvi, New Series, 1894, pp. 296–298. Epps, Land Systems of Australasia, pp. 174, 175.

[2] Eleventh Census, Report on Population, Part I, p. lxv. [3] *Ibid.*, p. lxix.

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progressive society where the forces of nature have been substituted for those of man, a similar movement of population is taking place. A distinguished writer has said: "The nineteenth century is closing upon a race that is destined, for the great majority, to live in cities, or under conditions more or less strictly urban."[1] In no country have city populations made more phenomenal gains within recent years than in Germany. Berlin, for example, was in 1894 three times as large as in 1860; and although behind New York city in 1870, it now leads that city in population. During the past twenty years it has added twice as much to its population as Philadelphia and as many actual new residents as Chicago. Hamburg has added more to its population since 1875 than Boston or Baltimore; Leipzig more than St. Louis; Munich more than Cincinnati.[2] Scarcely less remarkable is the recent growth of urban populations in France, Holland, Belgium, Italy, Scotland and England.[3] In fact, it appears that there is not a single instance of the rapid expansion of city populations in the United States that cannot be duplicated in Great Britain or on the Continent.

There can be no doubt that increased efficiency of agriculture throughout a large part of the world has been the fundamental condition of this growth of cities.[4] "When Malthus wrote, the labor of a person sufficed to raise food for 10 persons: at present in the United States a male adult can raise food for 120 persons."[5] Better methods of husbandry, the use of superior implements, specialization of agricultural production and vastly improved transportation facilities, whereby large areas of new lands have been brought under cultivation, have been indispensable to this increase in productive efficiency, in consequence of which a relatively smaller part of the world's population is required to produce the food supply. "In each succeeding decade since 1850 there has been in all countries a marked tendency of rural population to emigrate to the towns; and although the rural ratio of inhabitants

[1] Shaw, Municipal Government in Great Britain, p. 1.
[2] *The Century*, vol. xxvi, 1894, pp. 296–298.
[3] Shaw, Municipal Government in Great Britain, pp. 12–17.
[4] Giddings, Principles of Sociology, p. 88.
[5] Mulhall, *North American Review*, vol. clxii, 1896, p. 177.

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has seriously diminished, there has been an increase of tillage in consequence of machinery displacing labor."[1] Although the ratio of rural population has declined in both Europe and America, while the total population has increased but thirty-four per cent, the area under tillage has risen fifty-five per cent.[2]

Moreover, the agriculture of those countries having the smallest urban population is generally in a most unproductive condition. "All nations in which more than half the laborers are in agriculture are comparatively poor, and their rural processes are primitive, their implements rude, their rate of production low."[3] In India, for example, eighty per cent of the whole population is closely connected with the land, and yet agriculture is there conducted so ineffectively that the masses of the people never know what it is to have enough of even the bare necessities of life, and the yearly income of each member of the nation is but two pounds, while in England it is thirty-three.[4] Again, when serfdom was abolished in Prussia in 1807, the agriculture of the country was so inefficient that seven-eighths of the people thus engaged were able to produce only a very inadequate food supply. "By the year 1867 the agricultural population . . . had fallen to forty-eight per cent; and thirty-nine persons more than in 1816, out of every one hundred, were thus set free from the fields to take part in those industries which contribute to clothe and shelter a population or minister to its higher wants."[5] Yet the allowance of food that fell to each was not only one-third greater in quantity, but better in quality than in the wretched days of serfdom.[6] It is well known, also, that in the days of slavery in the South a very small portion of the people were subject to the conditions of city life. The industrial organization which rested upon slavery made the factory system impossible, and agriculture was inefficient, slovenly and wasteful in the extreme. One qualified to speak has said :

[1] Mulhall, History of Prices, p. 79. [2] *Ibid.*, p. 79.
[3] Report of Department of Agriculture, 1885, p. 392.
[4] Sir Henry Cunningham, *Fortnightly Review*, vol. lx, Old Series, 1893, p. 208.
[5] *International Review*, vol. ii, 1875, p. 347.
[6] *Ibid.*, p. 348.

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Main strength, human muscle, unassisted by intelligent skill, was slavery's method of labor. With a capital of about sixty dollars in the shape of a good-natured old ox, attached to the end of a stout rope, New Bedford, Massachusetts, did the work of ten or twelve thousand dollars, represented in the bones and muscles of slaves, and did it far better. In a word, I found everything managed with a more scrupulous regard to economy, both of men and things, time and strength, than in the country from which I had come.[1]

Further, "prices of grain, meat, *etc.*, are invariably lower in countries where the bulk of the people are engaged in agriculture than in those which are given chiefly to manufactures. On the other hand, all manufactured products are cheaper in countries where agriculture is of little importance."[2] From the point of view of civilization, also, those nations having the smallest percentage of city dwellers can hardly be classed in the first rank. Compare Russia, for example, with England, or Turkey with the United States.

The conclusion to be drawn from these facts is clear. The inference that the growth of cities in the United States is conclusive evidence of a less profitable condition of agriculture than formerly existed, or that it points to the economic decline of the American farmer, is unwarranted. Whatever may be the condition of agriculture, the relatively greater increase of urban than of rural population cannot be assigned as decisive proof that it is in process of economic decline.

II. An Explanation of the Relative Increase of Rural and Urban Wealth.

The wonderful rapidity with which wealth has been produced and accumulated in the United States has attracted the attention of publicists and economists of nearly every land. Notwithstanding the appalling loss inflicted by the Civil War, and in spite of the periodical occurrence of panics and commercial depressions, the nation has gone forward in the conquest of wealth with unprecedented and almost incredible celerity. The

[1] Life and Times of Frederick Douglass (1882), p. 257.
[2] Mulhall, History of Prices, pp. 115, 116.

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following figures are sufficient testimony to the correctness of this statement :[1]

	Wealth of the U. S.	Dollars per Inhab.
1860	$16,160,000,000	$514
1880	43,642,000,000	870
1890	65,037,000,000	1036

So readily have material things been brought into existence and with such facility are they fashioned to suit the most fastidious of tastes that questions of production are no longer the burning issues of the hour. The machinery of production has been so far perfected that there is no longer any fear of its inadequacy to satisfy the needs of all. The questions that have come to concern nineteenth-century society relate rather to distribution than to production. Let us therefore inquire as to the distribution of the wealth which the above figures exhibit. The following table classifies the wealth between the two great groups of American producers:[2]

	Urban Wealth.	Rural Wealth.	Percentage of Total. Urban.	Rural.
1850	$3,169,000,000	$3,967,000,000	44%	56%
1860	8,180,000,000	7,980,000,000	51	49
1870	15,155,000,000	8,900,000,000	63	37
1880	31,538,000,000	12,104,000,000	72	28
1890	49,055,000,000	15,982,000,000	75	25

These figures indicate that during the last forty years rural wealth has quadrupled, while that of the cities has increased sixteen fold. The prevalent opinion, therefore, that the cities are outstripping the rural districts in the accumulation of wealth appears to rest upon a solid foundation of fact.

What is to be said in explanation of the relatively greater progress of the cities in wealth? Has it been achieved by

[1] Eleventh Census, Report on Valuation and Taxation, Part II, p. 9.

[2] Eleventh Census, volume on Wealth and Taxation, p. 9, in connection with volume on Agricultural Statistics, p. 84. The figures given in the above table represent the non-agricultural and agricultural wealth of the country obtained by deducting the latter from the sum total of wealth of all kinds as found in the references to the census of 1890 here cited. For the purposes of the analysis which follows, they are here classified respectively as urban and rural. While the terms *urban* and *rural* wealth do not exactly correspond to *non-agricultural* and *agricultural*, they yet agree so nearly as not to lead to erroneous conclusions.

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depriving the farmer of a portion of his earnings? In reply to these questions, it is to be observed that the unparalleled accumulation of wealth that has marked the career of the United States has for the most part taken place since the introduction of steam as a motive power, and that prior thereto the disproportionate distribution of wealth between city and country did not exist. The following table shows the increase of steam power in the United States since 1840:[1]

HORSE POWER OF STEAM IN THE UNITED STATES.

	1840	1860	1880	1895
Fixed	360,000	800,000	2,186,000	3,940,000
Locomotives	200,000	1,800,000	3,700,000	10,800,000
Steamboats	200,000	900,000	1,200,000	2,200,000
Total	760,000	3,500,000	9,086,000	16,940,000

This table should be compared with the one given above showing the distribution of wealth. Such a comparison renders it unnecessary to argue that the swiftness with which wealth has been produced and accumulated in the United States would have been impossible in the absence of steam. In illustration of the efficiency of steam as a wealth-producer in the industrial world a single comparison will suffice. It is estimated that by converting the energy stored up in coal into steam the productive efficiency of labor is multiplied six hundred times.[2]

But why is it that in the distribution of the wealth that has thus been created the cities have absorbed such a disproportionate amount? An answer to this question will involve an analysis of the tendencies of steam as a wealth-producer. In this way we may hope to understand also whether the cities have prospered at the expense of the farmer, or whether their progress is due to the operation of normal economic law.

1. Steam as a motive power in the operations of the farm has never admitted of direct practical application to any considerable extent. Except in the work of threshing, it has been exploited to only a slight degree in farm economy. Conse-

[1] Mulhall, *North American Review*, vol. clx, 1895, p. 642.

[2] D. K. Clark, Manual of Engineering, p. 846; Mulhall, History of Prices, ch. ix, *passim*.

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quently, the volume of farm produce has not been greatly increased or its cost of production very much cheapened through the influence of steam-driven machinery.[1] Indirectly, however, the use of steam in transportation and in the manufacture of farm implements has affected agriculture in both these respects, and in numerous others so important as to call for separate treatment in the following section of this study.

2. It is in pursuits other than those of the farm that we must look for the whereabouts of the 16,940,000 horse power of steam which the table given above shows to have existed in the United States in 1895. The process by which such an enormous amount of power has been absorbed in the industries of modern life is a matter of no little interest. In this connection, it is pertinent to observe that the utilization of steam made the era of invention a necessity.[2] Its employment as a motive power stimulated the inventive ingenuity of man. As a consequence, numerous ingenious contrivances have been put to work, propelled by an invisible force, so cheapening production that commodities once luxuries for the rich have come to be almost necessaries of life to the masses of the people. Consumption has thus been so enormously increased that employments once offering work to only a few now demand hosts of toilers. Compare, for example, the business of transportation before and since the time of the railway. Steam power, steel rails and other inventions have rendered the swift and certain movement of persons and commodities one of the daily necessities of the multitude. Since 1870 $1,000,000 a day have been spent in railway construction giving employment to labor; and now in the United States an army of nearly a million men are employed, directly and indirectly, in transportation. Again, when Arkwright invented his cotton-spinning machinery in 1760, there were 5200 spinners and 2700 weavers, or 7900 in all; while in 1887 there were 320,000, an increase of over 4000 per cent. In 1833 the number employed at spinning, weaving and calico-printing was

[1] E. V. Smalley, *The Forum*, vol. xvii, 1894, pp. 242, 243.
[2] Mulhall, History of Prices, p. 56.

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800,000, and in 1887, 2,500,000.[1] Notwithstanding the displacement of labor by machinery, the increased demand, owing to reduction in the price and improvement in the quality of the articles manufactured under new conditions, has operated not only to prevent any material reduction in the rates of wages, or in the number of employees, but even largely to increase both.[2] It is obvious that the industrial opportunities thus thrown open have mainly been such as to stimulate immensely the creation of those new forms of wealth which go to swell the sum total of values in cities.

Intimately connected with these facts is the difference in the nature of the human wants which the industries of the farm and of the city supply. Those met by the former are mainly *physical*, while those supplied by the latter are *social*.

> Physical wants . . . cannot be increased in each individual to any considerable extent. The stomach of the savage will consume as much as that of the civilized man; hence the effectual demand, through this class of wants, can only increase in *about* the same ratio as population. . . . Social wants are essentially different in all of their characteristics. They are the result of social, rather than cosmic, influences. They can be increased indefinitely in each individual, and can consequently be multiplied much faster than the population.[3]

The influence of labor-saving contrivances in agriculture has consequently tended to eliminate the man from the farm.[4] Mr. E. V. Smalley states that "the farmer of our day, with the help of machinery, exerts a productive force equal to that of three men in the days of his grandfather";[5] and Mr. Atkinson has estimated that, by the aid of improved means of transportation and specialization of industry, the labor of one man on the plains of Dakota is sufficient to furnish 140 in Boston with bread.[6] Not thus, however, with social wants; they are unlimited and tend to multiply faster than population. Con-

[1] Wells, Recent Economic Changes, p. 368.
[2] *Ibid.*, ch. ix, *passim*; *Public Opinion*, September 5, 1895, p. 316.
[3] Gunton, Social Economics, pp. 82, 83.
[4] Prof. E. W. Bemis, *Journal of Political Economy*, vol. i, 1892–93, p. 195.
[5] *The Forum*, vol. xvii, 1894, p. 244.
[6] Mulhall, History of Prices, p. 82.

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sequently, in satisfying such wants, it is economically possible to substitute machinery or natural forces for man in increasing the volume and cheapening the cost of the needed commodities. The labor thereby set free is again absorbed, either in meeting the greatly increased consumption brought about by cheaper production,[1] or in satisfying other social wants which it is the nature of a progressive society to evolve.

Owing to such facts, although the number of persons ten years of age or over employed at farming declined from 20.78 per cent of the population in 1870 to 17.48 per cent in 1890, the number of persons employed in all remunerative employments advanced from 32.43 per cent to 34.68 per cent; the number engaged in manufacturing and mechanical industries increased from 8.28 per cent in 1860 to 10.74 per cent in 1890; and those engaged in trade, transportation, domestic service and professional employments increased in the same period from 13.7 per cent to 19.74 per cent.[2]

The following tables reflect the more rapid production of urban than of rural wealth:[3]

		Capital Employed.	Number of Workers.	Net Value of Product.	Per Capita Product.
1870.	Agric're	$8,899,966,998	5,922,741	$1,958,030,927	$333
	Manuf.	1,694,567,015	2,053,996	1,743,898,200	680
	Mining	222,384,854	154,328	138,323,303	717
1880.	Agric're	12,104,001,538	7,670,493	2,212,540,927	288
	Manuf.	2,790,272,606	2,732,625	1,972,755,642	722
	Mining		286,806	194,969,849	683
1890.	Agric're	15,982,267,689	8,466,363	2,460,107,454	290
	Manuf.	6,525,156,486	4,712,622	4,210,393,207	893
	Mining	1,340,000,000	636,419	471,356,527	740

[1] Recent Economic Changes, ch. ix, *passim*.

[2] Carroll D. Wright, *The Forum*, May, 1895, pp. 306–309.

[3] Ninth Census, Report on Industries and Wealth, pp. 392, 759. Tenth Census, vol. i, p. 712; vol. ii, p. 51; Report on Non-precious Metals, p. xxviii. Abstract of Eleventh Census, pp. 78, 99, 141; Eleventh Census, Report on Mineral Industries, p. xi. The figures given for mining in 1880 are in part estimated from data found in the Tenth and Eleventh Censuses. Any estimate of the capital employed would be largely guesswork.

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These figures tell their own story. With less than half the capital employed in agriculture, manufactures and mining have since 1870 annually created a per capita product two to three times as great. The adaptability of steam to non-agricultural industries and the nature of human wants are factors of paramount importance in creating this disparity in the production of agricultural and non-agricultural wealth.

3. Another explanation of the concentrating tendency of steam is found in the fact that steam power cannot be economically transmitted long distances. This has necessitated the erection of large factories close by the power-generating plant rather than the distribution of a number of small establishments at considerable distances apart.[1]

4. Apart from the nature of steam, the factory system of industry, as it exists to-day, is most favorable to economy of production for reasons peculiar to itself. To carry out the principle of the division of labor to the fullest extent, it is necessary that large numbers of men be assembled for work under one management in the same building. Further, in any industry requiring a large amount of machinery, the cost of protecting the machinery is less when it is concentrated under a single roof.[2] It is evident, therefore, that the economy of production secured by the factory system inevitably tends to create urban wealth and to commit workmen to the socializing influences of city life. There has consequently resulted a

limitation in the variety of work carried on in . . . rural establishments. Of old, nearly all the articles which entered into the family life of an agriculturist were made in the household. Cloth of various kinds, candles, soap, the greater part of the tools, even the worked timber used in the edifices, were of domestic manufacture. This is no longer the case in those parts of the country which have been subjected to modernizing influences. The ever-progressive division of labor and the rapid extension of commerce made possible by improvements in the methods of transportation, have led to the removal of many industries from the farm to the factory, where, by

[1] Dr. C. H. Cooley, Publications of the American Economic Association, vol. ix, 1894, p. 297; Rae, Contemporary Socialism, p. 28.

[2] Dr. C. H. Cooley, *loc. cit.*, p. 297.

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the use of machinery and trained labor, many articles can be made more cheaply and perfectly than under the domestic roof.[1]

5. As the almost indispensable motive power in transportation, steam has promoted still further the aggregation of wealth in cities. Reference is not here made to the effect of arbitrary and unjust discriminations practiced by railway corporations. The influence to which attention is directed arises from the very nature of transportation — from the fact that interruptions in the transport of commodities are unavoidable, and that, wherever they occur, wealth and population tend to collect.[2] Interruptions in transportation have been classified as mechanical and commercial. The former necessitates the transfer of passengers and the rehandling of commodities, while the latter involves in addition a change in the ownership of property. Both classes of interruptions, but especially the latter, concentrate population and tend to the aggregation of wealth. The vastness of the territory of the United States, resulting in the need of distributing centers, has given rise to numerous commercial breaks; and their influence in promoting the wealth of cities cannot be doubted. Moreover, three-fourths of the steam power of the United States is engaged in water and land carriage;[3] and the volume of the latter alone is twice that of all the rest of the world, so that any interruption in its movement becomes extremely influential and worthy of consideration. But the application of steam to transportation has been influential in still other ways in promoting the prosperity and piling up the wealth of cities. This is well illustrated in its effect upon

the relation of the inland town to the commercial metropolis. When men reached the interior by horse power, by the ox team or on foot, the rural town had a living chance to advance in wealth and population. For the industrial army which had moved into the wilderness or the open country, the rural village was the new base of supplies.

[1] The United States of America, edited by N. S. Shaler, vol. ii, p. 618.

[2] Dr. C. H. Cooley, Publications of the American Economic Association, vol. ix, 1894, pp. 312–322.

[3] Mulhall, *North American Review*, vol. clx, 1895, p. 642.

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The commissariat must go along with the columns. The large center was too far away. But the coming of the railway bridged the distance. It brought the village ten or twenty miles away in touch with the great city, making it a sort of suburb. The outlying depot of supplies is no longer needed; the railway train has taken the place of the country storehouse.[1]

6. Industries monopolistic in character, such as trusts, and especially street railways, water works, gas and electric-light plants, which become increasingly valuable with growth of population and social development,[2] are for the most part located in cities, and are important factors in swelling the sum total of urban wealth. On the other hand, the business of the agriculturist is not capable of monopoly control. The great number and the isolation of agricultural producers render practically impossible pools designed to control the output of food products.[3] Moreover, agriculture is so largely dependent upon cosmic forces, over which man exercises little or no control, that even were a combination of agriculturists successfully organized, it would be impossible for it to regulate the volume of food products and thereby control prices. Such considerations throw still further light upon the more rapid accumulation of urban than of rural wealth.

7. The fact that special knowledge or skill is not indispensable in the performance of many operations upon the farm is also deserving of attention. It is not intended to say that the labors of the skilled, intelligent and energetic agriculturist are not more largely rewarded than those of the unskilled, ignorant and slovenly cultivator; but that there are few occupations where mediocre ability and lack of thrift can manage to eke out an existence with as much certainty as upon the farm. A lack of ordinary enterprise and energy is in many other pursuits much sooner overtaken with disaster. In explanation of this it may be said that agriculture

[1] *Public Opinion*, April 18, 1895, p. 417.

[2] Cook, Corporation Problem, p. 182; Prof. H. C. Adams, Publications of the American Economic Association, vol. i, 1886–87, pp. 523–528.

[3] Clark and Giddings, The Modern Distributive Process, pp. 14, 15, 28.

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is often dependent quite as much upon favorable climatic conditions as upon the human element, while in some other lines of industrial activity the personal qualities of the worker are to a much greater degree determinant of success. Consequently, many inefficient and thriftless cultivators who could scarcely earn a livelihood at anything else are not speedily weeded out of the business, but continue to contribute to the abundance of the world's food supply. Partly owing to the competition of this class of farmers, and to the dependence of agriculture upon conditions which man is powerless to control, the better-directed labors of men possessing more than average skill and intelligence are less amply rewarded than those of men of the same ability in other walks of life. On the other hand, the occupations of city life afford industrial opportunity for the exercise of that administrative ability and technical skill which in modern society is most amply rewarded. The highly paid executive talent required for the successful management of the corporations which control the great industrial enterprises of modern times finds the seat of its business activity within the confines of cities. Further, those engaged in professional pursuits who receive large rewards for their services, as well as the large and increasing class of skilled and well-paid mechanics found in every progressive society, live in the midst of city surroundings. Owing to the inertia of the agriculturist and his inability to adapt himself to many of the more highly paid positions of the city, the unequal rewards of urban and rural workers are not rapidly reduced to a level. That is, city and country form two distinct and non-competitive groups of industrial society.[1] The foregoing suggestions still further explain the greater progress of the cities in the race for riches.

8. Our study has thus far been confined to the economic forces in modern society which have promoted the more rapid increase and accumulation of urban than of rural wealth. But the problem we are considering is not explainable on economic grounds alone. These are fundamental, for economy of pro-

[1] Clark and Giddings, The Modern Distributive Process, pp. 7–14, 27, 28. Clark, The Philosophy of Wealth, p. 114.

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duction has made necessary concentration of wealth in cities, and this has made concentration of population indispensable to getting a living ;[1] but the social tendencies of our century have also been toward the densely populated centers.[2] Cities, with their density of population and vast aggregation of values, are not only essential to economy of production, but are also able to command such superior and attractive social, educational[3] and religious advantages that many people of means move from the farm to the city.[4] In the olden time, before the rise of the factory system, many who longed for social life had to endure the loneliness, dullness and monotony flowing from the isolation of farm life.[5] But the advent of the railroad[6] and the rise of the modern system of industry provide for such an avenue of escape to the greater social opportunities of city life. All the advantages which man's social nature craves, the theatre, the picture gallery, the public library, church privileges, the daily newspaper, intercourse with one's fellow men, the sight of the bustling crowd — in short, all that goes to make social opportunity, are to be had most readily near the great industrial centers. Our educational systems and all the intellectual forces of our time stimulate a mental activity which seeks some professional pursuit in the midst of the bustle and whirl of the city ;[7] the road to political preferment and social distinction also leads from the quiet of the country home to the noisier scenes of the city ;[8] and the enviable success achieved by some who have left the country and gone to the town fires the social ambition and creates among those who have remained on the farm a feeling of unrest, which accelerates the movement of population to the busier fields of action. Finally, the inclination of the rising

[1] Gunton, Social Economics, pp. 322, 323.
[2] Clarence Deming, *Yale Review*, vol. i, 1892–93, pp. 291–300.
[3] Clifton Johnson, *The Cosmopolitan*, vol. xv, 1893, p. 221.
[4] *Public Opinion*, January 31, 1895, p. 109.
[5] Social Economics, p. 440; *The Cosmopolitan*, vol. xv, 1893, p. 221.
[6] *The Cosmopolitan*, vol. xv, 1893, p. 217.
[7] *The Nation*, vol. xlix, 1889, p. 445 ; vol. xlvi, 1888, p. 501.
[8] Alfred H. Peters, *Quarterly Journal of Economics*, vol. iv, 1889–90, p. 30.

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generation for city life is still further stimulated by a feeling more or less prevalent that the young woman who supplies city customers with butter, or the young man who soils his hands with the dirt of honest toil on the farm, is somehow socially inferior to the one who as a clerk in a city store sells goods over the counter.[1] All of these social considerations have stimulated the flow of population from country to city, have given rise to urban residences, have furnished laborers for the industrial expansion of cities and have contributed toward hastening their progress in wealth.

In the course of our study of the relative increase of rural and urban wealth we have arrived at the following conclusions :

I. While the increase of wealth in the United States has been phenomenal, its distribution is such that three-fourths of the aggregate amount is to-day found in cities.

II. This unequal distribution of wealth is, if we have been correct in our analysis, due chiefly to the new industrial organization introduced through the agency of steam power.

III. The wealth-concentrating influence of steam is due to the fact that it has admitted in only a limited degree of direct application to agricultural production, to the difference between man's physical and social wants, to the fact that steam power cannot be economically transmitted long distances, and to its use as an agent in transportation. Other influential factors in enriching the cities have been the economy of the factory system of production, the private ownership of monopolistic industries, the fact that successful crop production is determined quite as much by climatic as by human influences, and the force of social considerations. So far as anything disclosed by our analysis is concerned, therefore, with the single exception of the private ownership of monopolies, there is no evidence that urban wealth has been accumulated at the expense of the farmer.

[1] *Quarterly Journal of Economics*, vol. iv, p. 29 ; *The Nation*, vol. xlvi, 1888, p. 501 ; Ward, The Psychic Factors in Civilization, p. 272.

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III. THE RELATION OF AGRICULTURE TO TRANSPORTATION.

1. *Influence of means of transportation upon the migration and the geographical concentration of agricultural production.*—Within the memory of many now living, the Genesee Valley led the whole country in the production of wheat. At the present time, not only has the center of wheat production changed from New York to Minnesota and Dakota, but the milling industry has migrated from Rochester to Minneapolis.

Of the total wheat crop of 1839, 61.52 per cent was produced in four states, containing only 5.84 per cent of the entire surface of the country; fifty years later those states produced only 15.66 per cent of the total, and four others, containing 11.01 per cent of the total land surface, produced 35.85 per cent of the total crop. Of the total production of oats in 1839, 56.2 per cent was produced in four states containing 5.84 per cent of the entire land surface of the country. In 1889 48.82 per cent was grown in four other states, containing 8.25 per cent of the total land surface.[1]

The explanation of this wandering of agricultural enterprise and localization in new fields of production is to be found in the American railway system. The chart on the opposite page exhibits the relationship between the extension of railway mileage west of the Mississippi and the increase in the area devoted to the production of corn and wheat.[2] Capacity, cheapness, speed and independence of the natural features of the earth's surface have been the elements that have contributed to the efficiency of the American railway, and have rendered the development of agricultural industry so dependent upon it.[3] According to an English writer, J. Stephen Jeans, the American is superior to the English railway system in all these respects.[4] In no particular, however, do American railways make a better showing than in the matter of cheapness. The last report of

[1] John Hyde, Publications of the American Statistical Association, vol. iii, 1892–93, p. 493.

[2] The data for the construction of this chart were obtained from the Statistical Abstracts and the annual reports of the Department of Agriculture.

[3] Dr. C. H. Cooley in Shaler, The United States of America, vol. ii, p. 68.

[4] *The Nineteenth Century*, vol. xxviii, 1890, pp. 392–400.

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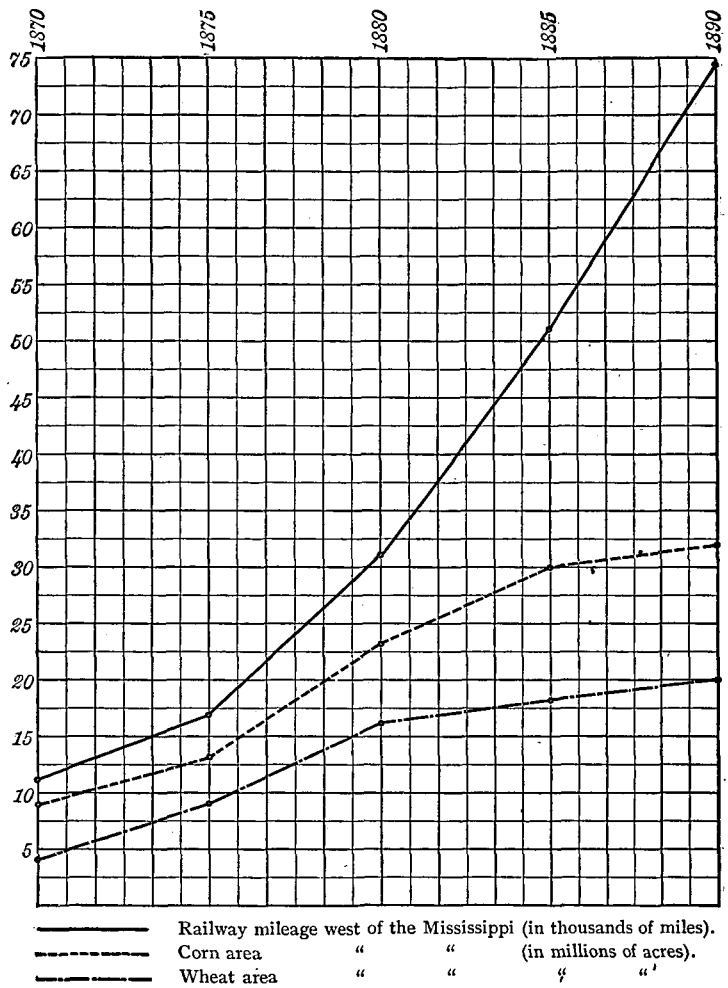
the statistician to the Interstate Commerce Commission gives the following rates per ton-mile for several nations of the world: Great Britain, 3.2 cents, France, 2.2 cents, Germany,



1.64 cents, United States, .866 cents. The fact that at the average rate of 1882 the railway freight traffic of the United States for the twelve years ending June 30, 1894, would have yielded the railway companies $2,629,043,459 more than they received at the rates charged, gives one some conception

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of the extent to which railway freight rates have been reduced.[1]

In bringing about this reduction several forces have been prominent :

(*a*) Greater economy in the cost of railway construction and operation. The use of steel rails, the enlarged capacity of cars, the increase in their live weight, the straightening of curves, the levelling of grades, the improvements in traction power, the reduced cost of railway supplies, the lengthening of the long haul and, perhaps fully as much as anything else, the consolidation of railway lines have been influential factors in this matter.

(*b*) A great increase in the volume of the traffic. In 1870 the states west of the Mississippi consumed nearly all of their products at home ; but now Nebraska alone, after supplying her home market, sends east "450 cars of bread and meat products every day in the year."[2] "Every additional carload of east-bound product from the Missouri River lessens the cost of every other carload," and, consequently, compared with twenty-five years ago, "nearly three-fourths of the cost of transportation from the Missouri River to New York has been stricken off, and Nebraska is over one thousand miles nearer the Atlantic seaboard." "A fat ox one hundred miles from New York City must pay one dollar for his ride by rail to reach that market," while "a Nebraska ox fifteen hundred miles away reaches the same market for only three dollars additional cost."[3]

2. *Influence of means of transportation upon farm values.* — In new countries, there is no doubt that the immediate effect of more ample and cheaper transportation facilities is to give an upward movement to farm values. Speaking of Ohio it has been said : "The price of farm produce advanced fifty per cent on the completion of the canals ; the railroads appear to have doubled the price of flour, trebled the price of pork, quadrupled the price of corn."[4] One whose lifetime included the period of which he speaks has said :

[1] H. T. Newcomb, *The New York Independent*, June 6, 1895, p. 13.
[2] J. W. Johnson, *Ibid.*, p. 10.
[3] J. W. Johnson, *The New York Independent*, June 6, 1895, pp. 9, 10.
[4] Prof. N. S. Townsend, Ohio Agricultural Report, 1887, p. 367.

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It is to railroads, which now penetrate all sections of the western states, that the enormous growth of these states in population and wealth is mainly attributable. Without them they would have remained pretty much what they were (except in the vicinity of rivers and lakes) half a century ago — a magnificent wilderness. The construction of the Illinois Central Railroad first opened for settlement the fertile prairie section of Illinois. . . . A country, no matter how fertile, must be of little value without markets for its productions; and but for railroads there would have been no accessible markets for a region large enough and rapidly becoming populous enough to cast into the shade any of the European states except Russia.[1]

But while an increase of facilities for transportation enhances farm values in new countries, it ultimately exerts quite the opposite influence upon the older farming communities. Consequently, while agricultural lands in nearly all of the western division of the North Central States, and in Wisconsin and perhaps Illinois of the eastern division, have been rising in value during the past fifteen years, in all of the remainder of the Northern States east of the Mississippi farms have not only greatly declined in value, but in some cases have been abandoned. In support of this statement there is an abundance of evidence.

This downward tendency of farm lands first attracted attention in New England. In at least four of these states, Vermont, New Hampshire, Massachusetts and Connecticut, there have been issued special pamphlets of information embodying the results of official investigations of the subject. The report of the secretary of the Connecticut State Board of Agriculture, made in March, 1892, contains descriptions of more than three hundred Connecticut farms, offered in many instances at prices that would apparently not cover the cost of the buildings. Of the 168 towns of Connecticut it has been said that 100, nearly all agricultural, show a loss in assessed valuation of $19,000,000 during the last thirty years.[2] A few years ago a farm of 106 acres, situated one mile from Williamsburg, Massa-

[1] Hugh McCulloch, Men and Measures of Half a Century, p. 42.
[2] Clarence Deming, *Yale Review*, vol. i, 1892–93, p. 294.

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chusetts (two miles from the station at which twenty passenger trains stopped daily), and containing buildings in good repair and replaceable for not less than $10,000, was offered for sale for $6500.[1] In reply to inquiries upon the subject by the Bureau of Labor, 144 towns in Massachusetts reported 1461 abandoned farms, of an average size of eighty-six acres. The average value of the 772 of these farms having buildings was $894, and of the 689 without buildings, $561.[2] An investigation conducted by the Massachusetts State Board of Agriculture, interpreting the term "abandoned farm" somewhat more narrowly, ascertained the number of such farms in the state to be 906.[3]

The decline of farm values is by no means confined to New England. The New York state assessors declared, in 1887, that land in the southern and central counties, comprising most of the agricultural lands of the state, depreciated ten to twenty per cent in fifteen years; and at a meeting of the Board of Equalization one of the state assessors estimated the decline at fifteen to thirty per cent.[4] A writer upon railways has said that between 1870 and 1880 the value of agricultural lands in New York depreciated over $200,000,000.[5] A recent investigation estimates the extent of the depreciation at from forty-eight to fifty per cent.[6]

Governor Foraker, in his annual message to the Ohio legislature, January 4, 1887, affirmed that the farm property of that state was worth from twenty-five to fifty per cent less than at the last decennial assessment.[7] Likewise his successor in office, Governor Campbell, in an address to a gathering of

[1] *The Nation*, vol. xlix, 1889, p. 406.

[2] Twenty-first Annual Report of the Massachusetts Bureau of Labor, 1890, pp. 192, 225, 237.

[3] Descriptive Catalogue of Farms in Massachusetts, Abandoned or Partially Abandoned, 1891, p. 9.

[4] Alfred H. Peters, *Quarterly Journal of Economics*, vol. iv, 1889–90, p. 18.

[5] Cook, The Corporation Problem, p. 42.

[6] A leaflet, issued by the New York Association for Improving the Condition of the Poor, entitled: "An Inquiry into the Cause of the Agricultural Depression in New York State."

[7] Prof. R. T. Ely, Taxation in American States and Cities, p. 151.

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farmers at Columbus in 1890, said that there had been a decrease of $2,000,000 in the value of farm property in Butler County, and that the aggregate depression in ten years in farm lands in Ohio was $80,000,000.[1] A writer upon social and economic subjects has said :

> After the decennial assessment of Ohio was taken in 1890 the state board reduced the farm assessments fifteen to twenty per cent, and still the real estate assessments in the country districts showed a fall of seventeen per cent in ten years and the city real estate a gain of thirty-eight per cent.[2]

In 1894, compared with 1884, there was a decrease of $43,193,959 in the value of the farm lands, fences and buildings of Michigan ; and during the same decade the value of farm lands per acre declined from $38.48 to $34.54.[3]

It is in England, however, that the depreciating influence of improved facilities for transportation upon the value of farm lands has been most marked, and the losses have been most disastrous. From the superabundant evidence in support of this statement the following is selected :

> Farms that formerly were eagerly sought for by numerous competitors, all substantial men with capital and credit, are now waiting in vain to be hired. Land, which was the favorite investment, and was in such demand that it not unfrequently fetched forty years' purchase on rents which were known to have been raised just before the sale, is at the present moment almost unsaleable. In Essex, but a few miles distant from the largest city in the world, there is a spot from which, it is said, there can be seen nineteen large farms, all vacant, without tenants, and for the most part uncultivated ; this, too, in a county which only a few years back used to be one of the greatest food-producing districts.[4]

[1] Ohio Agricultural Report, 1890, pp. 185, 186.

[2] Prof. E. W. Bemis, *Journal of Political Economy*, vol. i, 1892–93, p. 194.

[3] Bulletin No. 5, Michigan State Census for 1894, p. 5. For the extent to which farm lands have depreciated in some of the states mentioned above as well as others, see also Senator Peffer's Report on the Agricultural Depression, February 15, 1894, pp. 10–14. For the depreciation of farm lands in New Jersey, see Report of New Jersey Labor Bureau, 1889, pp. 329–331.

[4] *Quarterly Review*, vol. clxvi, 1888, p. 210.

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Only recently attention was called to the sale in England of 639 acres of land, with farmhouse, stables, homestead and seven cottages, for $28,500, although something like a dozen years ago the same property was valued at $100,000, and only four years since was mortgaged for $70,000.[1]

The opinion not only of authorities but of the public in general is that the primary explanation of these facts is found in the influence of the extension of modern means of transportation and communication. An English writer, J. Stephen Jeans, has said:

> To the American railway is due the revolution that has taken place in the sources of the food supply of European countries, the general cheapening of the cost of commodities throughout the world and the remarkable depreciation that has been witnessed in the value of land and the products of agriculture in England and other countries.[2]

And again:

> The value of the American exports of breadstuffs to Europe increased from $24,500,000 to $288,000,000 between 1860 and 1880, while the value of the exports of provisions increased from $16,000,000 to $156,000,000 during the same interval. . . . This meant the general reduction and finally the almost complete extinction of the profits of British farmers. . . . As with wheat, so with other agricultural produce. Prices were kept down continuously and steadily by the unlimited supplies that the United States were always ready to throw upon the market, and British agriculture languished and declined more and more until it appeared as if it had suffered complete collapse.[3]

The reduction in the cost of water transportation, owing to the displacement of sail by steam power, has added its influence in bringing about the economic revolution just described.

> Prior to about the year 1875 ocean steamships had not been formidable as freight-carriers. . . . A steamer of the old kind, capable of carrying 3000 tons, might sail on a voyage so long that she would

[1] *Public Opinion*, September 19, 1895, pp. 363, 364.

[2] *The Nineteenth Century*, vol. xxviii, p. 392.

[3] *The Nineteenth Century*, vol. xxviii, p. 401. See also *Journal of Royal Statistical Society*, March, 1895, p. 99.

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be compelled to carry 2200 tons of coal, leaving room for only 800 tons of freight; whereas at the present time, a steamer with compound engines and all other modern improvements can make the same voyage . . . and carry 2200 tons of freight with a consumption of only 800 tons of coal.[1]

In addition to the increase in capacity, the reduction in the cost of new steel ships from $90 per ton in 1872–74 to $33.95 per ton in 1887, "the introduction of steam hoisting machines and grain elevators upon the wharves and docks, and the employment of steam power upon the vessels for steering, raising the sails and anchors, pumping, and discharging the cargo"[2] have been influential in lowering the cost of water transportation. Consequently, while in 1860 twelve cents per bushel was about the lowest rate charged for any length of time for the transportation of grain in bulk from New York to Liverpool, the average rate for the same service for the year 1886 was five cents per bushel.[3]

In explanation of the depreciating influence of the improvements in transportation upon the farm lands of England and of a considerable portion of the United States the following analysis is offered:

1. In the cultivation of the older farm lands of the world, the point of diminishing returns has long since been reached. That is, the application of additional quantities of labor and capital to the soil does not result in a proportionate increase of the product. In the case of many of the lands of the older states this point has already been passed, and consequently, compared with soils more recently brought under cultivation, they are under the disadvantage of requiring a greater outlay for a unit of product. It is evident, therefore, that when the older farm lands of the country are brought into competition with the newer, they are handicapped in the contest by an unalterable law of nature.[4]

2. The value of land for agricultural purposes may be said to depend in general upon three considerations: degree of fer-

[1] Wells, Recent Economic Changes, p. 37.
[2] *Ibid.*, pp. 35, 36. [3] *Ibid.*, pp. 38, 39.
[4] R. Means Davis, *The Forum*, vol. xiv, 1892–93, p. 386.

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tility, location and area capable of cultivation. That is, if all land were of equal fertility, and if there were no choice arising from its location, and if the area capable of cultivation were unlimited, it would have no value for agricultural purposes.

In regard to fertility, nothing is clearer than that land is unequal. The long-cultivated lands, the riches of whose soil have been washed away by rains or depleted by injudicious culture, when brought into competition with virgin soils of new regions, are at a disadvantage. But since the older farm lands are not of uniform fertility, they are not equally injured in this competition. Everywhere it is the soil nearest the margin of cultivation that fares the worst. Of the 1461 abandoned farms in Massachusetts, 1214 were in the five western counties, the rockiest and hilliest part of the state.[1] These lands would wear out and wash away under bad treatment, even if transportation did not bring them into competition with more fertile soils; but competition with such lands greatly intensifies the difficulty and hastens their abandonment. During England's troubles with Napoleon, the war difficulties resulted in so raising the price of corn that cultivation descended to very inferior lands;[2] but the raising of the blockade at the close of the war and the subsequent repeal of the Corn Laws, both of which operated in the same manner as the introduction of steam transportation, brought the English corn-producer into competition with the world and resulted in throwing out of cultivation large areas of the less fertile lands.

3. In regard to the second and third considerations upon which the value of land depends, it is to be noted that improvements in transportation, by tending to equalize the advantages of location and by rendering possible an enlargement of the cultivated area, deprive land of two elements that make society dependent upon it and render it valuable. Were half the area under cultivation in all countries suddenly to become barren, or were the distance from market of a similar portion doubled in a day, it is easy to see that the dependence of agriculture

[1] *Bradstreet's*, vol. xix, 1891, p. 181.

[2] Cannan, Production and Distribution, 1776–1848, pp. 148, 149.

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upon the remainder would be greatly increased,[1] and the value of this remainder correspondingly enhanced. Modern transportation has tended to bring about just the opposite of this.[2] It has, to a large extent, eliminated the adverse element of space from new farming lands, rendered them accessible to the world's markets, and made possible an increase of fifty-five per cent in the cultivated area.[3]

In the light of the above statements, the fact that farm lands in some of the oldest, best improved and wealthiest farm communities have declined in value, while in the newer, sparsely inhabited, poorly improved and less wealthy they have increased, is rendered intelligible. Access to the new farming lands has rendered society less dependent upon the old. Thus, while the recent state census in Michigan showed that there was a shrinkage of $61,690,047 in the value of farm lands, fences and buildings of the southern counties of the lower peninsula, there was an increase of over $16,000,000 in the value of similar property in the central and northern counties.[4]

4. Transportation has placed the older soils under a disadvantage by forcing them to compete with land upon which, either because of the levelness of its surface or because of the greater number of acres in a farm, machinery can be more economically employed. In the production of wheat, for example, compare the use of the self-binder upon the small and hilly farms of New England with the conditions that exist on the Western plains.[5]

5. Before the extension of modern means of transportation and communication throughout the states west of the Mississippi, a partial failure of crops owing to drought, wet weather, a severe winter or any other cause was likely to be compensated by an advance in the price. Now, however, a shortage of a crop throughout several states may occur and may be

[1] Wieser, Natural Value, pp. 19–21 and 70.

[2] Dr. C. H. Cooley, Publications of the American Economic Association, vol. ix, 1894, pp. 322–324.

[3] Mulhall, History of Prices, p. 79.

[4] Michigan State Census, Bulletin No. 5.

[5] *The Nation*, vol. xlix, pp. 367–368; *The Cosmopolitan*, vol. xv, p. 216; *Bradstreet's*, vol. xix, p. 181.

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accompanied not only by no advance but by a decline in the price. Take, for example, the corn crop of 1895. Owing to the drought, the crop in Ohio, Michigan and Indiana was seriously cut short; but, because of the inflow of surplus from the West, not only was no relief obtained in these states from an advance in the price, but corn sold at a rate considerably below the average. From the social point of view it is, of course, a distinct gain that the distribution of the yearly food supply is so far perfected that local shortages seldom raise the price. But looked at from the standpoint of agricultural interests, the extension of transportation facilities throughout the West, by intensifying the adverse influence of unfavorable climatic conditions in the older states, rendered their agriculture less profitable, and thereby contributed in still another way to the depreciation of their farm lands.

6. The migrations of European peoples during the last fifty years and the land policy followed by the government of the United States in the disposition of the public domain are facts pertinent to the subject we are here considering. Migration, as here discussed, is a social phenomenon characteristic of the present century. Its origin was dependent upon means of transportion, and its volume has steadily increased with the extension of modern transportation facilities.[1] By 1840 the United States was just entering upon her career of railway construction. At that time there were 2818 miles of railway in operation, while in 1892 there were 175,204.[2] It is a significant fact that of the 16,750,000 immigrants who came to our shores between 1783 and 1892, less than 1,000,000 came prior to 1840.[3] The reduction in the cost and discomfort of the ocean voyage, owing to the displacement of sailing vessels by steamships, has been scarcely less important in its influence upon immigration than railway construction itself.[4]

[1] Prof. R. Mayo-Smith, Emigration and Immigration, p. 45.

[2] Statistical Abstract, 1894, p. 305.

[3] Quarterly Reports of the Bureau of Statistics, 1892–93, pp. 391, 393.

[4] Prof. R. Mayo-Smith, Emigration and Immigration, pp. 45–47; The United States of America, edited by N. S. Shaler, vol. i, p. 303.

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But immigration is not a fact to be viewed solely in connection with rapid and cheap means of transportation. The inducements and motives that give rise to its flow deserve consideration. Chief among these are the migratory instinct, the desire to escape compulsory military service, the yearning for greater political and religious freedom, and especially the hope of bettering one's social and economic condition.[1] In connection with the last, the marked liberality to the settler of the United States government in the disposition of the public domain is of paramount importance. No policy better calculated to stimulate immigration and promote the settlement of the public lands could well have been devised. The land grant act of 1850,[2] which led to the construction of the Illinois Central Railroad, and the Homestead Act of 1862 were events of the first importance.[3] The former was the chief measure in the inauguration of a movement which dedicated 155,500,000 acres of the public domain to railway construction[4]; the latter appealed powerfully to the imaginations of men both at home and abroad by offering a home on the most liberal terms. These two acts, especially the latter, marked the abandonment of the policy which obtained in our earlier history of making a profit for the treasury out of the sale of the public lands. The debates in Congress upon the Homestead Act clearly recognize the profound economic truth that lands become a basis upon which the financier can maintain the credit of a nation only as they are brought under cultivation, and thus become a source of revenue through the taxing power of the state.[5]

The more remote social and economic consequences of modern transportation and immigration, and of the Homestead Act, were not, however, so clearly foreseen. The immediate effect

[1] Emigration and Immigration, United States Government Publication, 1885–86, *passim*.

[2] Donaldson, The Public Domain, pp. 261–265.

[3] John Gilmer Speed, *The Chautauquan*, vol. xvi, 1892–93, p. 311; Charles C. Mott, *The Nation*, vol. xlix, 1889, pp. 406, 407.

[4] Donaldson, The Public Domain, p. 268.

[5] See speeches of Mr. Windom and Mr. Grow in the House of Representatives, Congressional Globe, second session, Thirty-seventh Congress, 1861–62, Part II, p. 1033 and Part I, p. 909.

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was the settlement, as if by magic, of a region greater in territorial extent than the combined area of any five of the leading powers of Europe, Russia alone excepted. An avenue was opened for the overflow of the surplus population of Europe to a region where the soil responded bountifully to the exertions of the farmer. While there is a marked tendency for European emigrants to flock to cities,[1] yet in a number of American commonwealths where agriculture is the most important phase of industrial life, the inflow of foreign-born population has been very remarkable. In 1890, of the population of Michigan, 26 per cent were foreign born ; of Wisconsin, 31 per cent ; of Minnesota, 36 per cent ; of Iowa, 17 per cent ; of North Dakota, 45 per cent ; and of South Dakota, 28 per cent.[2] If to the foreign born are added natives born of foreign parents, the percentage in Michigan is 55 ; in Wisconsin, 75 ; in Minnesota, 75 ; in Iowa, 45 ; in North Dakota, 78 ; and in South Dakota, 60.[3] These figures afford substantial evidence of the important part foreign immigration has played in the settlement of the great agricultural states of the Northwest. A vast storehouse of latent economic force has thus been rendered available ; each emigrant has greatly increased in efficiency as a food-producer, and, as a consequence, is able not only to produce enough to satisfy his own necessities, but also to contribute to the wants of others.

To appreciate adequately the forces thus called into action, it should be borne in mind that immigration and governmental policies attractive to the immigrant are facts not peculiar to the United States. Immigration has been going on in recent years to Australia, the Argentine Republic and Canada. Australia, by lessening the cost of transportation at state expense, has endeavored to attract the stream of immigration to herself[4]; the Argentine Republic has followed a similar policy, besides advancing capital to immigrants of a certain class to the

[1] Eleventh Census, volume on population, Part I, p. lxxxix.

[2] *Ibid.*, p. lxxxii.

[3] *Ibid.*, p. lxxxiv.

[4] Emigration and Immigration, United States Government Publications, 1885–86, pp. 510, 512, 514, 516.

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amount of $1000[1]; and Canada, in addition to a land policy generous to the immigrant, has expended public money in cheapening his cost of transportation.[2]

The relationship of such facts as these to the subject we are considering is clear. Had Europe not had a surplus population eager for the opportunities of the new lands of the world, and had the land policy of the United States and the inducements to immigration of other nations been less liberal and attractive, the enlargement of the cultivated area would have been less precipitate, the increase in the *per capita* food supply less rapid, and the depreciating influence of transportation upon the value of the older farm lands of the world far less marked.

In our analysis of the relation of agriculture to means of transportation we have arrived at the following conclusions:

I. The development of modern transportation facilities has been the prime agency in causing a migration of agricultural industry, and in tending to concentrate it geographically in new fields of production.

II. The American railway system has been the indispensable condition for the settlement and development of the greater part of the United States, and its extension throughout the central and western states has contributed towards increasing marvelously their agricultural wealth.

III. The value of farm lands in the older states of the Union has enormously decreased, chiefly because of the cultivation of virgin soils — made possible by the extension of modern means of transportation throughout a large portion of the world. The conclusion is warranted that the economic condition of the agricultural interests of a number of states has been on the decline, and is much inferior to what it was some years ago.

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[1] *Ibid.*, p. 661; Bureau of American Republics, Argentine, pp. 88–90 and 148–157.

[2] Emigration and Immigration, United States Government Publications, 1885–86, pp. 573, 574, 580, 589; Donaldson, The Public Domain, pp. 483–485.

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FREE SILVER AND WAGES.

WHAT his income is, and what his income will buy, are interesting questions for each individual. The answers express the net result of his business conduct, of his economic action, and measure his command over the material sources of happiness. What wages are, and what wages will buy, are life questions for the mass of the community. The answers enable us to measure social well-being, the standard of living, the real prosperity of a nation. The "condition of the laboring class" has become the absorbing thought of modern civilization, and the greatest living English economist declares that "the question whether poverty is necessary gives its highest interest to economics." In like manner a leading German economist lays down the axiom that to secure a comfortable minimum of subsistence for every individual is the fundamental principle of economic politics. Economists have welcomed and applauded trades unions, coöperation and profit-sharing as means for bettering the condition of the laborer, and have given a sympathetic hearing to the wildest socialistic schemes for the regeneration of society with the same end in view. Public opinion has not been far behind, and seems ready to sanction by legislation almost any plan that claims to benefit labor.

The proposal to begin the free coinage of silver at the ratio of 16 to 1 must be tested largely by the effect it is likely to have on the working man. This is acknowledged alike by friends and opponents of the measure. The silver men declare that free coinage is necessary in order to restore the prices of commodities, whose present low level is due to the scarcity of gold, and thus to stimulate business; and that from such stimulation of business will result a greater demand for labor, full employment and higher wages. The gold-money men predict that the free coinage of silver will cause a financial panic, destruction of credit, stoppage of industry, lack of employment, and

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in the long run increased cost of living, which will be followed only gradually by a corresponding rise in wages. It seems as if economic experience should be able to teach us with reasonable certainty which of these results will follow, and on which side of the present controversy lies the material interest of every laboring man and of every man on a fixed salary. To determine so much may not be an answer to the whole question, but from both the individual and the social points of view it is certainly a very important part of the answer. I venture, then, to assert that political economy teaches beyond a doubt that both the indirect and the direct consequences of the free coinage of silver would be disastrous to labor.

It is easy to foresee what the indirect consequences would be, but it is not easy to measure them. It is impossible to believe that the probability of free coinage at the rate of 16 to 1, when silver is worth only 50 to 1, would not bring on a financial panic, for we know that much smaller causes have in the past sufficed to do so. Credit would certainly be destroyed or greatly curtailed. Foreign investments would be withdrawn or withheld, and all business crippled for lack of funds. The usual result of such a panic is lack of employment for the laborer, and an attempt on the part of the employer to economize in his labor bill. It is said that the panic would be temporary, and that business would be resumed on a sounder basis. But even if this were true, labor would come back to its employment poor, enfeebled and suffering from the transition. Karl Marx, the socialist, was accustomed to describe the commercial crisis due to the fluctuations of industry as one of the worst evils from which the working classes suffer under the capitalistic method of production. It creates, according to his opinion, a "reserve army of the proletariat," eager to accept any employment, completely at the mercy of the capitalists, and the worst enemy of organized labor. A commercial crisis brought on by partisan legislation would be equally disastrous. In fact, it would be worse, for it would introduce into business operations a new and entirely incalculable factor, namely, the possibility of direct tampering with the standard of value. It

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is probable, moreover, that many years would elapse before confidence would be restored; for nothing is so disastrous to a nation as the loss of its reputation for commercial stability and integrity.

It is much easier to predict and to measure the direct consequences of the free coinage of silver on the laborer in the long run. They consist of the effects on wages and on what wages will buy. The thesis is that such coinage would raise prices, and that prices would go up faster than wages, thus causing the laborer to suffer from the increased cost of living.

The first proposition to be proved is that prices would go up. It seems scarcely necessary to show this, for the very object of free coinage is to restore prices. This is what is promised to the farmer, the debtor and the business man. The whole basis of scientific international bimetallism, if it have any scientific basis, is the contention that a period of decreasing prices is discouraging to all business, and that the restoration of silver would stop the fall and possibly lead to a gradual inflation which would be favorable to business.

Free coinage of silver would lead to higher prices, not so much by the inflation of the currency as by the reduction of the standard to the bullion value of the 412½-grain silver dollar. If that value expressed in gold remained at fifty-three cents, prices would be almost doubled. Most of the members of the Populistic party seem to expect this and to rejoice in the fact that prices would rise and debts would be easier to pay. One notable voice, however, is heard declaring that by free coinage the value of silver would be increased and that of gold diminished, so that the old ratio would be restored. If this were really true, I doubt if the free coinage of silver would have any further attraction for the Populist. It is, however, utterly absurd to believe that free coinage would restore silver from 69 cents an ounce to $1.29, or would reduce the value of gold so that the ratio would again be 16 to 1.

In the first place, look at the supply of silver. Even with a constantly decreasing price the supply increases every year, as shown by the following table:

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	Fine Ounces.	Price per Ounce.
1886	93,276,000	$0.99
1887	96,124,000	0.97
1888	108,827,000	0.93
1889	120,214,000	0.93
1890	126,095,000	1.04
1891	137,171,000	0.98
1892	152,940,000	0.87
1893	161,162,000	0.78
1894	166,601,000	0.63

If the supply thus increases notwithstanding the decrease in price, what would the supply be with an increase in price? The object of the silver-mine owners (the only persons who would gain) in securing free coinage is to make profitable the present unprofitable mines. That would increase the supply of silver; and while the price might temporarily rise enough to make the fortunes of these men, this very increase would stimulate production so that the supply would soon again be excessive.

In the second place, would the demand for silver increase? The only demand that could possibly increase would be that for silver for currency, and the only part of the currency that could be replaced would be the gold. Paper money, bank-notes and credit instruments would still continue to discharge the functions of money as at present. The American people, however, want no more silver to carry in their pockets. Retail trade needs no more fractional silver (which, at any rate, would not be freely coined) and gets on very well with paper dollars. It is said that the gold would be replaced by silver. But where is the gold? It is not in the pockets of the people. The gold reserve of the treasury would disappear and might be replaced by silver for the redemption of the greenbacks, but that would create only a very small demand. The banks might hold their legal reserves in either silver or greenbacks, but would probably prefer gold, which would be available for foreign transactions as well as for domestic contracts payable in gold. The total demand for money would be no greater than now; and in the

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resulting paralysis of business enterprise it would probably be even less.

In the third place, would the demand for gold be less? It would be lessened only to the extent just indicated; while the hoarding of gold by timid investors and the increased demand for it to pay interest on gold bonds, on mortgages payable in gold and on other gold contracts would probably absorb all the gold set free.[1] Even if prices rose in gold-standard countries, that would only mean that we should have to pay more for our imports.

Free coinage would, in short, mean the substitution of the silver dollar of 412½ grains for the gold dollar as the standard for all domestic prices. Its value would remain about the same, fifty-three per cent of the present standard gold dollar. Prices would naturally rise something less than one hundred per cent, and gold would be at a premium. Our imports ($797,000,000 per annum) would be paid for in gold, but when re-sold to the consumer for silver, the prices would be doubled to pay for the premium and the risk.

The second proposition to be proved is that when prices rise wages also rise, but more slowly, so that for the time being the purchasing power of wages is less and the condition of the wage-earner is worse. This is one of the least debatable propositions of political economy. It rests upon undisputed historical evidence, and is confirmed by common sense or what we know of the nature of man. Upon this point inductive and deductive economists agree perfectly.

First of all, we have the experience of the Civil War, when prices rose on account of the irredeemable paper currency. What was the effect on the condition of the laboring class? Conclusive evidence is afforded by the report of the Senate Committee on Prices, made after an investigation in 1891. Starting with the prices of 1860 as a basis, that committee made a careful calculation of the rise of prices and of the rise in wages. The result is seen in the following table:

[1] H. W. Farnam, "The Bimetallic Theory," *Yale Review*, August, 1894, p. 217.

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TABLE OF WAGES, PRICES AND PURCHASING POWER IN THE UNITED STATES, 1860–1891.[1]

YEAR.	CURRENCY WAGES.	CURRENCY PRICES.	PURCHASING POWER.	YEAR.	CURRENCY WAGES.	CURRENCY PRICES.	PURCHASING POWER.
1860	100.0	100.0	100.0	1876	151.4	115.5	131.0
1861	100.7	95.9	105.0	1877	143.8	109.4	131.4
1862	103.7	102.8	100.8	1878	140.9	103.1	136.6
1863	118.8	122.1	97.3	1879	139.4	96.6	144.3
1864	134.0	149.4	89.7	1880	143.0	103.4	137.6
1865	148.6	190.7	77.9	1881	150.7	105.8	142.4
1866	155.6	160.2	97.1	1882	152.9	106.3	143.8
1867	164.0	145.2	112.9	1883	159.2	104.5	152.3
1868	164.9	150.7	109.4	1884	155.1	101.8	152.3
1869	167.4	135.9	123.2	1885	155.9	95.4	163.4
1870	167.1	130.4	128.1	1886	155.8	95.5	163.2
1871	166.4	124.8	133.3	1887	156.6	96.2	162.7
1872	167.1	122.2	136.7	1888	157.9	97.4	162.1
1873	166.1	119.9	138.5	1889	162.9	99.0	164.5
1874	162.5	120.5	134.8	1890	168.2	95.7	175.7
1875	158.0	119.8	131.0	1891	168.6	96.2	175.4

It will be observed that after 1862 prices advanced very rapidly, reaching a maximum in 1865, the period of greatest inflation. Wages also advanced, but more slowly, so that their purchasing power decreased, reaching a minimum in 1865, when, although wages had increased nearly 50% in money, their purchasing power was only 78% of what it had been in 1860. It was not until 1866–67 that the laborer regained the position he had in 1860. After studying these facts, can any one doubt that a period of rising prices is unfavorable to the wage-earner?

It is notorious that any average of either prices or wages is very difficult to make, and that no computation of this sort can pretend to mathematical accuracy. It is impossible to average the prices of all commodities, and, furthermore, commodities are of such varying importance that a simple average would mean little. If, however, we average in several different ways with the same general result, we may conclude that a movement is fairly measured. This is the method of the Aldrich Report. Taking the simple average, the prices in 1891 are represented

[1] The Aldrich Senate Report, Part I, pp. 13, 93.

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by 92.2; taking commodities according to their importance in the consumption of the working man, regarding certain expenditures as uniform, the result is 96.2; and by another method it is 94.4. It is obvious, therefore, that the number in the table represents a very moderate estimate of the fall in prices. This statistical investigation proves beyond doubt that prices are at least no higher than in 1860.

The statistics of wages contained in the Aldrich Report have been subjected to a most searching criticism by Mr. A. S. Bowley, in a paper read before the British Association in September, 1895.[1] Mr. Bowley is a perfectly honest and impartial critic, whom no one can accuse of leniency in treating American statistics. He tested the figures in four different ways, with the result that, taking wages in 1860 as 100, wages in 1891 were respectively 155, 160, 161 and 167. As the figure given in the Report is 168.6, the difference is trifling. So far as the trustworthiness of the statistics is concerned, we can safely say that rising prices are disastrous to the working man, because wages rise more slowly than the cost of living. We shall soon return to the second part of the table, which is equally remarkable in showing that the decline in prices since 1865 has been accompanied by comparative stability in wages.

Economists have long been familiar with the law that wages rise more slowly than prices, and they have many illustrations of it. A particularly striking case is found in the decline in the condition of the working classes in England during the 16th century, which was caused in part by the debasement of the currency.[2] Henry VIII commenced the process by putting in more alloy and coining the pound into a greater number of shillings. Edward VI did the same thing. Elizabeth restored the old standard in 1560, but coined the pound of silver into 60 shillings instead of 45. The effect of this debasement, averaging 60%, was to raise prices. Probably the influx of silver from America would of itself have made prices rise, but slowly and moderately. As it was, the rise was rapid. When

[1] *The Economic Journal*, September, 1895, p. 369.

[2] Rogers, Six Centuries of Work and Wages in England, pp. 342 ff.

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Elizabeth reformed the currency the rates had become fixed.

Meat was 3 times the old rates, corn 2½, and dairy produce 2½. But the rise in wages was only a little more than 1½ times. In other words, where the wages of a labourer rose from 6*d.* to 9*d.* a day, he had to pay 3*s.* for meat, 2*s.* 5*d.* for bread, and 2*s.* 6*d.* for butter or cheese where he paid 1*s.* before. . . . The same fact discloses itself in regard to those articles where labour gives them their chief value. The price of fish, of prepared fuel and of building material rose but little above that of labour. The producer of animal food, grain and other agricultural necessaries commanded a better market than the dealer in any other article of value did, while labour, and those products the value of which is principally derived from the outlay of labour, partook in the least degree in the rise of prices.

Even if base money had not been issued, the general rise of prices would, according to Rogers, have injured the laborer.

Between the middle of Elizabeth's reign and the breaking out of the Parliamentary war, a period of 60 years, general prices more than doubled, while a very miserable increase is effected in the wages of labour, certainly not more than 20%.[1]

It is perfectly obvious why prices rise faster than wages. The seller of goods can mark up prices with comparative ease, and he is generally foresighted enough to do it the moment he apprehends that the money he is to receive will be of decreasing purchasing power. He is eager to reap any advantage that may accrue from selling goods bought at the old prices, and he is pretty sure to advance prices far enough to cover any risk of further depreciation. The working man, on the other hand, is obliged to wrest an advance from the employer, who is unwilling to increase his labor bill, even if he has advanced prices. Moreover, it requires time for the workman to appreciate all that the increased cost of living means to him, and to bring about a union of forces sufficiently powerful to make a fight. In the long run, wages will doubtless go up, but in the interval the laborer suffers. It is inconceivable that the laborer should knowingly put himself into such a position.

On the other hand, when prices are going down the working man has the advantage. The employer will not at once cut

[1] For further illustrations, see Rogers, pp. 405, 410, 428, 429 and 500.

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down wages, but will economize in other directions. A reduction in wages may cause a strike, disorganization of his labor force, loss of business connections and inability to take advantage of any turn in the tide. It is notorious that in times of depression many an employer continues to run his business, even at a loss, partly from a desire to retain his market, partly from consideration for his men. When prices are falling, wages usually follow more slowly; but if the fall in prices is due to improved methods of production, they need not fall at all. The employer may be obliged to charge to his loss account a part of his capital invested in old machinery, but the demand for labor will be the same. When prices rise or fall, the party adverse to a change in wages has the advantage: with rising prices, it is the employer; with falling prices, it is the employee.

This brings us to two further questions of great importance to the laborer, namely: Has the steady fall of prices since 1873 been to his advantage or disadvantage? Has this fall been due to scarcity of gold or to improved methods of production? If the fall has been due to scarcity of gold, wages will probably fall, although more slowly than prices or the cost of living; while if it has been due to improvements in production, wages may remain stationary or increase while cost of living is decreasing. These are important questions, but I think political economy is now in a position to answer them.

An examination of the last table shows that prices have decreased since 1873, while wages have increased since 1879. It appears, therefore, that in a period of declining prices the position of the laborer has improved. This fact, moreover, is not true of the United States alone. It can be shown on the authority of many economists and statisticians that it is generally true. Thus, Mr. A. L. Bowley, the latest authority in England on wages, after an elaborate investigation of all the accessible data, came to the conclusion that real wages (purchasing power) rose about 20% between 1860 and 1871–4, the period of the maximum; and that after 1880 money wages rose continuously (with a check in 1886) while real wages rose still

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more rapidly. From 1860 to 1891 the rise, taking the same trades as those in the Aldrich Report, was 70%; and including all trades the rise in real wages was 90%.[1] Again, a most elaborate study of the effects of the low prices since 1873 has been made by M. Hector Denis, and he comes to the conclusion that both wages and the standard of life of the laboring class have risen since 1873.[2] Finally, General Walker, the leading bimetallist of America, admits that since 1873 the laborer has received as large a share of the product of industry as he then had, or even more; although he contends that this share has not been as large as it would have been if silver had not been demonetized in 1873.[3] But it is certainly something to have gained in a period of falling prices, and it seems chimerical to advise the laborer to exchange this certainty for the chance of recovering in wages the increased cost of living which advancing prices would bring. It is doubtful, too, whether the speculative boom given to business by inflated prices really causes prosperity, for it is sure to be followed by a period of depression, disastrous to employers and workmen alike.[4]

It is only fair to say that the international bimetallists see clearly enough that free coinage of silver by the United States would lead to a financial panic, to silver monometallism and to still further delay in securing international bimetallism. General Walker, indeed, regards both the Bland-Allison Act and the Sherman Act as unwise, because they relieved the nations of Europe from responsibility for silver.[5] He is also reported to have denounced the declaration of the Democratic convention at Chicago in favor of free coinage as a stupendous blunder. M. Walras, the distinguished Swiss bimetallist, whom Walker quotes with approval as saying that the continued appreciation

[1] *The Economic Journal*, September, 1895, p. 382; *Journal of the Statistical Society*, June, 1895.

[2] La Dépression Économique et Sociale et l'Histoire des Prix, 1895.

[3] Walker, International Bimetallism, 1896.

[4] See article by J. B. Clark, "The Gold Standard in Recent Theory," POLITICAL SCIENCE QUARTERLY, September, 1895, p. 402.

[5] International Bimetallism, pp. 187, 218.

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of gold means a permanent industrial crisis, says also, in the same letter, that free coinage of silver at the old ratio would bring about a still more disastrous cataclysm, sacrificing the creditor, capitalist and *wage-earner* for the benefit of the debtor and manufacturer. Walker, Denis and Walras are sincere bimetallists, and believe that falling prices have a discouraging effect on industry which makes itself felt on the laborer. They all confess, however, that the laborer is better off than in 1873. Not one of them would advocate any such sweeping change as the free coinage of silver by the United States alone.

Two causes are given for the present low prices. One is the scarcity of gold or the increased demand for gold owing to the demonetization of silver; the second is the improvement in methods of production and transportation. The first is the thesis of the bimetallists, and is exhaustively presented by General Walker in his new book; the second, the thesis of the monometallists, is represented by Mr. David A. Wells's book on *Recent Economic Changes*. The extraordinary coincidence that the fall in prices, the demonetization of silver, the increase in the production of silver and the great improvements in methods of production have all occurred during the last twenty-five years, has made the problem of cause and effect well-nigh insoluble. In any case the fall of prices has benefited the laboring class. If, however, it is due to improved methods of production and not to scarcity of gold, the position of the laboring man is still more favorable. This alternative has also very important bearings upon the prospect of business revival and upon the question of justice between debtor and creditor. It affects the first because, if the fall in prices is due to improved methods of production, we need not fear the "permanent industrial crisis" so freely predicted by the bimetallists. It affects the second because, if labor is more productive than formerly, there is no injustice in the debtor returning to the creditor a larger amount of commodities than he received.[1]

[1] See, on these points, J. B. Clark, "Free Coinage and Prosperity," POLITICAL SCIENCE QUARTERLY, June, 1896, p. 248.

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It is impossible to give here even a *résumé* of the discussion concerning the cause of the present low prices. As I have intimated, the fortuitous coincidence of the demonetization of silver and the fall in prices, together with the stationary or decreasing production of gold from 1871 to 1887, gave great plausibility to the arguments of the bimetallists. The theory that low prices were due to scarcity of money owing to the demonetization of silver thus appealed to many minds. The remonetization of silver, furthermore, appealed to many interests. In it the silver-mine owner saw a market for his increasing product; the manufacturer saw the end of dull times and the beginning of an era of higher prices; while the debtor, led to believe that he was suffering from "injustice," saw the opportunity to lighten his debt by seeking legislative action on the plea that he was only undoing what had been done by legislation and restoring the *status quo ante*. Finally, many economists entangled in a quantitative theory of money which had never been thoroughly thought out yielded to what seemed the logic of the facts. Down to 1887 the ratio between silver and gold had increased only to 18.57 to 1, so that a restoration of bimetallism by international agreement seemed possible, and many eminent converts were made.

At present the tide seems to be turning. The continued fall of silver down to 32 to 1 makes the possibility of tying the two metals together seem problematical. It also weakens the contention that the cheapness of silver is due to its demonetization, for the cause seems inadequate to the effect. Still further, all that has been done for silver by the Bland and Sherman Acts has not arrested its fall; for while the supply of money has constantly increased, prices have continued to decrease. Finally, since 1890 gold has rapidly increased, and still prices go down. In view of all these facts, there is an increasing skepticism in regard to the theory that the present low prices are due to an actual scarcity of gold.

Many bimetallists, moreover, admit that at least part of the fall in prices has been due to improved methods of production.[1]

[1] Walker, International Bimetallism, p. 265.

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M. Denis, in the book already cited, after careful review of both the alleged causes, concludes that both have been active, but declares that it is impossible to measure the exact influence of each. After quoting Marshall to the effect that in a decline of prices reckoned at 30% about 12% has been due to the scarcity of gold, he himself favors the view that about one-half (15%) has been due to that cause.[1] The evil of a gradual contraction of 15% in twenty-five years is, however, trifling in comparison with the harm sure to result from the sudden inflation of prices by the free coinage of silver.[2]

Recent events have still further weakened the contention that the low prices are due to a scarcity of gold. Professor Lexis, whom General Walker has termed the "first economic statistician in the world," has shown that the money supply of the world has greatly increased during the period of falling prices. Germany had at the beginning of her currency reform 1700 million marks in specie; but now, while her population has increased only from 40 to 50 millions, she has 3380 million marks. France, with a stationary population, has since 1873 increased her specie in circulation by 1500 million francs. England, although her highly developed credit system makes her need of currency less than that of Continental states, from 1873 to 1892 imported 760 million marks more gold than she exported. Of the United States Lexis says:

> The United States increased its money supply from 1873 to 1892 to a degree such as has never happened in any country. The greenbacks remained at 347 million dollars as legal tender; the supply of gold increased by 520 million dollars; 416 million Bland dollars were coined, and 152 million dollars of treasury notes issued in purchase of silver under the Sherman Act. There was, therefore, an increase of 4626 million marks in specie money, or notes covered by specie, besides 250 million marks in fractional currency.[3]

In a more recent article[4] Professor Lexis declares roundly

[1] La Depression Économique, p. 389.

[2] Compare Clark, "Free Coinage and Prosperity," POLITICAL SCIENCE QUARTERLY, June, 1896, p. 258.

[3] Lexis, "Die Deutsche Silbercommission," in Conrad's *Jahrbücher für Nationalökonomie und Statistik*, November, 1894, p. 728.

[4] Handwörterbuch der Staatswissenschaften, Supplement I, p. 864.

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that the claim that low prices are due to scarcity of gold must now be given up, since it is contradicted by all the facts. He shows that the supply of gold has increased rapidly since 1890, while prices have continued to sink. Even the momentary rise in prices in 1895 was accompanied by accumulation of gold in the banks of England and Germany and by exportation of gold by the United States, so that it could not have been due to increased circulation. Still further, during this period the prices of some articles have risen and others have fallen.

It seems, therefore, questionable, to say the least, to attribute the fall in prices to scarcity of gold. The gain of the laborer is a real one, due to improvements in production which he has shared with the remainder of the community.

But if the laborer, who has gained by decreasing prices, would lose enormously by the debasement of the currency through free coinage of silver, would not other classes gain? The period of falling prices has been hard on the landlord, the manufacturer and the capitalist. Great as these interests are, however, they are not likely to receive consideration in comparison with the interests of the great mass of the community. Besides, whatever may be said in favor of slowly expanding prices as a stimulus to business, a period of rapid inflation does not benefit honest industry. It puts a premium on speculation, but makes all business uncertain. The panic following free coinage would bring ruin, from which it would take many years for the business man to recover. The farmer would find the increased price for his wheat offset by the higher price of other things and by the reduction in the consumptive power of the community. Even the debtor class, if we could separate them from the others, would suffer from the foreclosure of mortgages, the diminution of incomes and the increase in rates of interest. Experience would soon demonstrate to all classes alike that prosperity is far less dependent on the standard of value than on integrity in business and a high standard of national honor.

RICHMOND MAYO-SMITH.

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SILVER IN COMMERCE.

IT is proposed to show that silver, as a depreciating standard of value, has no measurable influence in stimulating exports. Wherever there is an apparent connection between its use as money and enlarged trade, the increase is due to other purely economic agencies. As a depreciated metal, however, silver has important functions in international trade. While as a standard of value it is well-nigh useless because of its fluctuations in price, as a commodity it has a high utility. Its unlimited coinage at any except the commercial ratio to gold would, however, deprive it of this utility and make active its full power for social disturbance.

Prices, determined by the competition of the world, respond so readily to each change in every one of their many relations as almost to defy explanation and analysis. The delicately shaded quotations on the produce exchange embody as well the local gamble in prices as the intelligence received from other markets by telegraph. A partial "corner" in grain or a change in the tone of political rumors leads as readily to fluctuations in prices as the failure of a crop in British India or an excessive product in Argentina. As centers of information the exchanges collect fact and rumor, estimates and results, with little discrimination. As true exchanges they bring together buyer and seller, obliterate marked differences of prices and distribute the products of man's labor among the best markets. In the regulation of this great movement of produce the machinery of the exchanges is striking by reason of its general perfection and high utility; but in recording general movements in prices it gives much poorer results. In times of disturbance the extremes are recorded, but these extremes are due not to a few, but to a thousand influences. Responding to every phase of interested initiative, averages count for but little even when conditions are reasonably steady.

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In the apparent simplicity of modern exchanges, therefore, is to be found the highest complexity.

This complexity offers a great obstacle to determining and measuring the true results of changes in prices due to any variation in the value of gold or of silver. For years there has been a controversy over the "appreciation" of gold without approaching a conclusion. Had this appreciation been real and as great as has usually been represented, the accession of one nation after another to the gold standard, resulting in fresh demands for the metal, ought to have sent the price up nearly to a panic limit. In ordinary dealings a deficiency of supply produces results far beyond what the mere numerical deficiency justifies. Hence, if there had been a true scarcity of gold, or an approach to one, a small demand, say for $75,000,000 or $100,000,000, should have produced a noticeable change in the market price or exchange value of the metal. For only when a better price was offered would the metal have been dragged from hoarded stores and withdrawn from general circulation to become a reserve in a government-banking operation. Yet nothing of this kind has occurred. Austria, Chili, Italy and Russia have come into the markets for gold, and the United States has been a large purchaser, without producing any change in the mint price of gold or causing any permanent changes in the position of that metal in any of the great money markets, except in that of the United States.

Silver, on the other hand, has fallen in twenty years to such a degree as to lead to its rejection among commercial nations as a standard of value. The narrowing of demand, associated as it has been with a greatly increased supply, has reduced the market price of an ounce fine from $1.15 in 1878 to about 68 cents in 1896. Taking the estimates of the actual stocks of gold and silver in the world as they are, — although admitting that they are faulty, — it is difficult to explain why the additions to the supply of silver from 1873 to 1896 should have produced such a marked variation in the market value, when gold showed so little change, if any, in the face of increased demand and steady supply. One of two

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explanations must be accepted: either the "scramble for gold" was a myth or the use of silver had become so restricted as to deprive it of nearly half its usual market. In seeking to determine either of these points, the prices of commodities, for the reasons already stated, offer little assistance. Rejecting, then, for the present, an examination of prices of specific articles, I propose to point out the changes which have occurred in recent years in the commercial position of silver.

Little attention need be paid to the market price of silver, for no one denies that it has fallen. A comparison will bring out clearly the extent of this fall. In 1861, before the issues of paper money by the government of the United States had produced any change in prices, a gold dollar and a paper dollar were equal in value. They would purchase the same quantity of flour, or pay for the same amount of labor, or settle the same sum of debt. During the next year the paper began to depreciate, and the separation of paper and gold values became marked. In 1862 a gold dollar would exchange, on the average, for $1.13 in paper; in 1863, for $1.45; and in 1864, for $2.03. In July of 1864 the lowest point was touched: a paper dollar would purchase only 38.7 cents in gold while a gold dollar would exchange for $2.58 in paper. In that year, then, a paper dollar would on the average purchase less than half as much flour or labor as a gold dollar, but would still settle the same amount of debt or fixed charge, like an annuity, pension or interest, dating before 1861. This great depreciation in paper, save as a means of settling, or rather of scaling, debt, occurred within two and a half years; and naturally gave such a wrench to the industry and commerce of the country as to require years of denial and sober effort to restore a sound condition where labor could have its due, where the honest creditor had some refuge from his dishonest debtor and where the foreign commerce of the country once more became healthy in tone and important in amount.

Silver has fallen in market value almost precisely as far as the greenbacks or legal-tender notes fell in 1864. That the fall has been more gradual, extending over a period of twenty-

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three years, in no wise affects the ultimate results on values if silver becomes the only standard of value. The slow pressure may have permitted future events to be discounted, and by discouraging extreme speculation may have broken the effect of the fall. None the less the full fall is a fact. The coin known as the standard dollar, containing 371.25 grains of fine silver, was worth $1.00 in gold in 1873, but only 49.1 cents in 1894 and 50.6 cents in 1895. For the first six months of 1896 it has risen to nearly 53 cents. Its average value in 1894 was thus within a mill of the average value of the legal-tender note in 1864. What the pressure of war and excessive issues of paper brought to the government paper in 1864 has been brought to the silver dollar without war or excessive issues of the coin. This enables one to form some idea of the enormous and irresistible power of the working of economic forces. It is as useless to suppose that the government could by legislation or otherwise lift silver to nearly double its present price as to suppose that in 1864 the legal-tender acts or gold acts or restrictions on speculation gave an artificial value to paper. Every act of government to force the circulation of the latter at other than the market rate imposed a tax on labor and defrauded the creditor of his just due; and naturally the ingenuity of man was sharpened to counteract the injustice of the financial policy of the war. It is not reasonable to assume any other results should silver become the monetary standard, for, if coined at any except the commercial ratio to gold, it must raise prices, levy tribute upon all existing contracts and oppress labor.

That this condition does not already exist is due to the cessation of the purchases made under the acts of 1878 and 1890. The greenback was a strictly local currency, non-exportable, and handled by money-brokers outside of the country only in such small amounts as to have no appreciable effect upon its quantity at home. Irredeemable, it was final in all transactions, public or private; and thus it had neither an outlet for an excessive issue nor a reflected value from a redemption in gold or silver. It remained at home, producing all the dire effects

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to be expected from paper money issued beyond the needs of trade and strictly irredeemable. Its value was arbitrary and fluctuating; and not until 1879 was its potency for mischief largely curtailed. Only in part were its possibilities for disturbance then taken away; for its existence was prolonged on such terms as to make it an anxiety to the government by rendering necessary the continuance of a machinery of false redemption that no bank would ever dream of adopting, and no government knowing the true nature of banking would imitate in any feature.

Had it not been for the repeal of the purchasing clauses in the laws of 1878 and 1890, the country would now be upon a silver basis. From November, 1893, the date of the repeal, to the present month (August) there would have been added to the holdings of the treasury 148,500,000 ounces of silver, every ounce of which would have been paid for in gold. This would have swelled the treasury purchases of bullion since 1878 to 608,446,701 ounces, a load which would have turned the scale in favor of silver, for in the summer of 1893 the fact of silver saturation was forced upon the public attention. The purchases of each successive month would have riveted more firmly the ties of a silver standard. With a coin made from this bullion, worth only fifty or fifty-three cents, not exchangeable for gold and fluctuating in real value, the economic results may easily be foreseen. In only one respect is the silver coin better than the greenback: it is, under some conditions, exportable at its bullion value. So long, however, as its purchasing or debt-paying power (legal-tender quality) is greater in this country than abroad, it will remain here as closely as did the greenback. It is possible to conceive that, in seeking to discount its true value, the prices of domestic products may be pushed up so high as to make its purchasing power greater abroad than at home; but this would be so remarkable a circumstance and of so temporary a nature as to merit little notice as a serious condition. In fact, the silver dollar, coined at any ratio to gold less than the market or commercial ratio, must be as non-exportable as the greenback.

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With silver as a standard of value, what would be the results on the foreign trade of the United States? It is hardly necessary to urge the importance of this trade as an outlet for the products of our agriculture and manufactures, as a source for all that the country does not or cannot produce and as a means of paying for foreign loans — the basis of credit in foreign markets. To cherish and stimulate this trade by every means legitimate in a free government is of vast consequence. It is gravely urged, however, that a silver standard will serve as a bounty on exports — as if commerce deserved encouragement only in one direction. The commercial returns of such silver-using countries as are available are cited as proof of this proposition; and it is seriously proposed to introduce a debased medium, local and non-exportable, depending for its value upon the fiat of law, and standing midway between a medium accepted by the whole world and an irredeemable and excessive paper issue accepted by none but the issuer, because it would encourage exports. This plea, like any other proposition for the encouragement of commerce, is worthy of a respectful consideration. It is, of course, known that the paper money of the war exerted a contrary effect — that by its action on prices it made this market a very good one to sell in and a very bad one to buy in, thus encouraging imports and discouraging exports. This, however, may have been an accidental feature due to an irredeemable paper of no value other than was conferred upon it by a general opinion of the credit of the issuing government. The doubt may be stated, but not pressed here.

The commercial returns of certain nations, when divided into two groups of gold-using and silver-using countries respectively, seem to prove the truth of the general proposition that the exports of the latter have increased more rapidly than those of the former. Taking the figures for the years 1890 and 1894, since they are readily accessible and mark the extreme limit of the fall in the market value of silver with sufficient time for noting its effect, the exports of certain gold-using countries were as follows:

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EXPORTS FROM	1890. DOLLARS.	1894. DOLLARS.
United Kingdom . .	1,597,438,932	1,332,378,922
France	934,158,600	796,047,800
Germany (special) .	791,707,000	704,837,000

Such returns may be compared with those of countries which "enjoy" currencies of silver or depreciated paper:

EXPORTS FROM	1890. DOLLARS.	1894. DOLLARS.
Uruguay	29,085,519	33,479,511
Japan	29,547,030	58,097,394
China	68,517,146	100,875,959
Argentina	97,290,328	98,128,906
Mexico	27,020,023	32,858,927

These results are by no means uniform, and have no apparent relation to the actual drop in silver. The conditions in a single country may perhaps supply the needed connection.

The foreign commerce of Mexico, for example, depends largely on its exports of silver. The Mexican dollar, moreover, is used in many countries having no coinage of their own, and this adds an element in favor of its exportability. In 1894–95 the exports of merchandise from Mexico were $38,319,100 and those of silver bullion and coin $46,816,348; while the total imports, including both merchandise and precious metals, were valued at only $34,000,000. No other country of the same importance has a commerce so largely based upon silver.[1]

As the exports of merchandise from Mexico in 1890–91 were only $27,000,000, the figures above given show an increase in exports within four years of forty-two per cent. Since more than two-thirds of the exports are received by the United States, we may turn to our own trade figures to establish the lines of increase. This is practicable, for the trade or fiscal year in both Mexico and the United States ends June 30, and the value of the imports given by our returns is the market value or wholesale price (reduced to United States money) at the time and

[1] The exports from Bolivia in 1894 were valued at £1,982,500 (estimated), of which £1,562,500 were in silver.

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market of exportation. Omitting the imports of specie into the United States and confining our attention to merchandise, we find the imports in 1891 were $27,295,992 and in 1895, $15,635,788. Apparently not only the whole increase of forty-two per cent, but also a nearly equivalent proportion of what formerly came to the United States, has gone to other countries. Before entering into details by commodities, it may be well to test this remarkable showing. The exports from Mexico are chiefly taken by the United States, Great Britain, Germany and France, and their respective returns for this trade were :

Imports from Mexico into	1891. Dollars.	1895. Dollars.
United States	27,295,992	15,635,788
United Kingdom	2,401,388	2,274,265
Germany[1]	2,917,000	2,880,000
France	965,154	2,026,500
Total	33,579,534	22,816,553

Instead of an increase of forty-two per cent these figures show that there has been a decrease of nearly one-third in the total trade, and an increase only in the case of France. For further comparison we have the Mexican figures, which include the precious metals :

Exports to	1890–91. Dollars.	1894–95. Dollars.
United States	44,983,086	67,322,986
United Kingdom	10,882,728	15,261,169
Germany	3,785,875	3,113,235
France	3,653,551	2,129,816
Total	62,305,240	87,827,206

From the table before this one it might be concluded that there has been an enormous increase of Mexican exports in channels entirely new ; but such a conclusion is quite beyond the range of commercial experience and is distinctly disproved

[1] For Germany the exports of 1894 are taken, those for 1895 not being available. In the exports to France and Germany silver ore is included, the amounts being so small as not to affect the totals.

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by the last table, which shows that the increase has been along the old lines. Again, from the former comparison it might be concluded that France alone is the gainer from Mexico's increased trade, yet this conclusion also is disproved by the second table. In this confusion, where is the proof that any single factor, like silver, is the cause of the present conditions of Mexican trade?

A glance at details may assist us, if only by still further discrediting the dominating influence of silver in the trade of Mexico, a fair type of a silver-standard country. The French returns show an increased importation from Mexico in 1895 as compared with 1891. In this trade the principal articles were :

		1891.	1895.
Copper	kilog.	1,682,299	4,522,148
Wood, rare . . .	"	8,133,876	23,133,476
Coffee	"	391,235	170,904
Textile fibres . .	"	404,524	898,750

The nature of the increase in trade is thus made apparent in the face of the Mexican returns, which showed a decrease in the total value of imports from Mexico. Turning to the English returns, the quantities of the leading imports from Mexico were :

		1891.	1895.
Coffee	cwts.	1,273	3,595
Copper	tons	3,649	3,368
Dyewoods, *etc.* . . .	"	4,204	14,864
Mahogany	"	18,248	6,507
Textile fibres	"	1,514	949
Lead	"	361	1,638
Tobacco manufactures .	lbs.	726	2,445

This is quite as convincing as the French table, and to round out the comparison we need only the statistics of the imports into the United States :

		1891.	1895.
Coffee	lbs.	28,489,632	35,262,229
Textile fibres . .	tons	56,360	59,706
Tobacco leaf . .	lbs.	154,426	57,853
Copper ore . .	"	2,351,917	149,104

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In the one item — coffee — where a full comparison of prices is possible, it is found that France paid 2.125 francs per pound in 1891 and 2.45 francs in 1895; that England paid 19.3 cents in 1891 and 22.8 cents in 1895; and that the United States paid 18 cents in 1891 and 16.9 cents in 1895. Yet the greatest increase in exports has been to the United States instead of to those markets where better prices could be obtained in 1895 than were recorded in 1891. Puzzling as is this showing, it is not explained by an examination of the import prices of other articles brought into the United States from Mexico. Thus, coal was valued at $3.306 a ton in 1891 and $2.015 in 1895; sisal grass at $106.64 per ton in 1891 and $57.60 in 1895; tobacco leaf at 44 cents per pound in 1891 and 23 cents in 1895; and vanilla beans at $4.07 per pound in 1891 and $4.34 in 1895.

The conclusions to which these comparisons point are: (1) that the trade returns are very fallible; (2) that the differences are largely due to variations in the custom-house methods of reporting prices; and (3) that the French system of official valuations of imports and exports may lead to remarkable results.

The commercial returns of any country, when examined in the same way, give the same contradictions and inexplicable differences; and the confusion becomes even greater when the returns of different countries are compared. From them it is impossible to determine the presence of such a factor as a fluctuating medium of exchange — much less to determine an even probable effect upon prices. The commercial conditions of Mexico, China and British India as countries using silver, and those of Argentina and Brazil as countries using irredeemable paper, present no common characteristic when prices, in detail or in the average, are compared with the price of silver or the agio on exchange. This lack of proof that the presence of a depreciated currency has stimulated the export trade of these countries permits the substitution of an explanation of current commercial relations which appears more reasonable and better justified by facts. It is, then, the recent transfor-

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mation of economic conditions that has led to increased exportations from these South American and Asiatic communities.

Much significance attaches to the fact that the products of silver-using countries are such as stand apart economically from those of gold-using countries. This alone should make us cautious about accepting a free comparison of the statistics of the trade of the two groups as proof of the stimulating effect of a depreciating currency on exports. Look at the principal exports of these Eastern and South American countries:

Argentina: wheat, wool, meat products.
Brazil: coffee, sugar.
China: tea, silk.
Colombia: coffee, earth-nuts, silver ore, cacoa, caoutchouc.
Ecuador: cocoa.
Guatemala: coffee, silver, fruit, hides.
Japan: silk, tea, rice.
Uruguay: meat products, hides, tallow, wool.
Venezuela: coffee, cocoa, hides.

It requires only a superficial examination of this list to show that the development of trade in all of these commodities can be explained on purely economic grounds, without resort to any influence of a depreciating or appreciating currency.

Even more significant is the fact that in Europe the dominant feature of economic progress during the last generation has been the application of machinery in every line where human labor could be superseded. The result has been that the enormously increased output of goods at greatly reduced prices has led to increased consumption of manufactured articles; and this has been accompanied by a distinct decay in the ability to grow much of what is required to feed this machine power, as well as the labor employed in caring for and directing it. It is not a mere accident that has led to agrarian agitation in nearly every country of Europe and even in the United States. In populous communities intensive farming must be the rule. They cannot with profit devote to the culture of cereals, or to the raising of cattle for beef or of sheep for wool, the enormous tracts of land available

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at little or no cost in new and sparsely settled communities. The history of wheat culture in the United States is ample proof of this. The same influence that has so materially modified the economic conditions of sections acts as powerfully on the distribution of production throughout the world. The cultivation of many drugs, dyes, tropical fruits and similar products, used in the arts or for food, cannot be conducted in Europe or in the United States with any profit. For every advance in population and industrial power a nation pays something, and such a payment has recently been exacted from the wheat cultivators and cattle raisers of Europe and the United States.

The one great feature of the recent growth of continental Europe, then, has been its advance in industrialism. The time was — and within the memory of persons now living — when England enjoyed almost a monopoly of the factory system. On the continent household and hand production was the rule. All this has changed. Even in Russia and Switzerland, still famous for their house industries, machinery has won a complete victory, and not only makes the country independent of foreign supplies of many manufactured goods, but results in a surplus for sale abroad. This new industrial power must be fed, and only in the newer communities can the space be found for growing the raw materials for food and manufactures. This is, to my mind, the cause of increased exports from the more sparsely settled communities. The demand upon the extractive industries has so far increased as to require new sources of supply and production upon a vaster scale.

Given a restricted territory, the production of the raw material for an industry could never keep pace with the requirements of machine consumption, unless the field of production was originally laid out on magnificent lines and constituted a practical monopoly. The growth of cotton in the United States is such a natural monopoly; and it is hardly conceivable that there should ever be such an increase in the number of spindles in the home cotton industry as to approach an exhaustion of the supply. The production of wool in Europe and the United States, on the other hand, has in

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recent years declined, because the land in those countries has become too valuable to be used for sheep runs and other countries have offered greater advantages in the raising of wool. This article occupies in the economy of Europe and the United States a position similar to that of wheat in England: it is cheaper to buy it abroad than to undertake to obtain all the needed supply from home sources. Australia, on the contrary, is as naturally adapted to the cheap production of fine wools as Argentina is to the production of wheat or the raising of cattle. Furthermore, the tea of India, the silk of Japan, the coffee of South America and the peculiar products of the East stand upon the same economic basis as the wool of Australia or the wheat of Argentina. The increasing needs of Europe and the United States for these products have resulted in increased production.

After a minute study of the trade in many individual articles of special lines of products, I have failed to discover a general influence such as some claim has been exerted by the fall in the commercial price of silver. Results apparently flowing immediately from that influence on the commerce of one country fail to materialize in the commercial relations of another country having much the same conditions of trade and exchanges. Comparisons of prices and of the statistics of trade of various countries yield no definite conclusions. I cannot but conclude, therefore, that the recent movements in commerce are due to a cause other than the fluctuations in silver, and that the presence of a silver monetary unit has no immediate action in stimulating exports. Whatever influence it does exert is too small to be isolated from other and more important influences.

If, then, silver has little or no influence *on* trade, has it any influence or function *in* trade? This distinction is important. In international trade silver is a commodity, bought and sold like any other commodity, such as wheat, iron or copper. As such this metal has at no time played so important a rôle in the foreign commerce of the United States as at present. The domestic production and the commercial movement of silver are shown in the following table:

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PRODUCTION AND COMMERCIAL MOVEMENT OF SILVER IN THE UNITED STATES.[1]

YEAR.	PRODUCTION.		EXPORTS.	IMPORTS.	EXCESS OF EXPORTS OVER IMPORTS.
	Fine Ounces.	Commercial Value.			
		Dollars.	*Dollars.*	*Dollars.*	*Dollars.*
1873	27,650,000	35,750,000	39,751,859	12,798,490	26,953,369
1874	28,849,000	36,869,000	32,587,985	8,951,769	23,636,216
1875	24,518,000	30,549,000	25,151,165	7,203,924	17,947,241
1876	30,009,000	34,690,000	25,329,252	7,943,972	17,385,280
1877	30,783,000	36,970,000	29,571,863	14,528,180	15,043,683
1878	34,960,000	40,270,000	24,535,670	16,491,099	8,044,571
1879	31,550,000	35,430,000	20,409,827	14,671,052	5,738,775
1880	30,320,000	34,720,000	13,503,894	12,275,914	1,227,980
1881	33,260,000	37,850,000	16,841,715	10,544,238	6,297,477
1882	36,200,000	41,120,000	16,829,599	8,095,336	8,734,263
1883	35,730,000	39,660,000	20,219,445	10,755,242	9,464,203
1884	37,800,000	42,070,000	26,051,426	14,594,945	11,456,481
1885	39,910,000	42,500,000	33,753,633	16,550,627	17,203,006
1886	39,440,000	39,230,000	29,511,219	17,850,307	11,660,912
1887	41,200,000	40,410,000	26,296,504	17,260,191	9,036,313
1888	45,780,000	43,020,000	28,037,949	15,403,669	12,634,280
1889	50,000,000	46,750,000	36,689,248	18,678,215	18,011,033
1890	54,500,000	57,225,000	34,873,929	21,032,984	13,840,945
1891	58,330,000	57,630,000	22,590,988	18,026,880	4,564,108
1892	63,500,000	55,563,000	32,810,559	19,955,086	12,855,473
1893	60,000,000	46,800,000	40,737,319	23,193,252	17,544,067
1894	49,500,000	31,422,000	50,451,265	13,286,552	37,164,713
1895	55,727,000	36,445,000	47,227,317	9,552,520	37,674,797
1896	——	——	59,862,956	13,106,548	46,756,408

Silver is one of the most important of the metallic products of the United States, for its yearly production is exceeded in value only by the outputs of iron, gold and copper. It is also one of the chief articles of export, for it is surpassed in importance only by cotton, provisions, breadstuffs, gold and mineral oils. This eminence, moreover, is not the result of temporary conditions, but will be permanent, unless legislative interference confines silver to a purely domestic market by depriving it of any function in the export trade while inviting its import.

[1] Production is given for the calendar years and the commercial figures for fiscal years.

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On commercial principles every ounce of silver produced in the United States now finds a market either at home or abroad, and to the extent of its commercial value commands foreign and domestic products and services. In 1896 it settled a foreign indebtedness of $46,709,000, which must otherwise have been settled in gold or by the forced sale of other domestic products.

To coin silver in unlimited amounts at any except the market ratio would prevent its exportation. Overvalued, it would remain in the United States to derange markets, to oppress labor and to scale debts. The law of 1878 choked off exports until the artificial encouragement to production caused the supply to outrun the domestic consumption then possible. The excess over consumption then found a vent in foreign markets until the law of 1890 again checked exports, while giving an even greater encouragement to production by more than doubling the monthly purchases of the government and thus assuring a market for 54,000,000 ounces a year — the total product of the United States in 1890. Production soon again outran the demand in this market, but the repeal of the purchasing clauses at once reduced the entire movement of silver to a purely commercial basis. Every prop giving new supplies an assured market or an artificial value was swept away — and the dealings in silver are larger than ever before! Free coinage cannot be endorsed because it will encourage exports; while it must be condemned for the inevitable disturbance in commercial relations that will ensue. In this phase of the question every producer in the United States, whether directly or indirectly producing an article for export — and this description includes nearly every person having a gainful occupation, — is directly interested.

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THE AFTER EFFECTS OF FREE COINAGE OF SILVER.

THE presidential election now pending has taken the shape of a referendum on the question of the free coinage of silver. Party divisions are broken down, and the personality of candidates counts for little. Those parts of the several party platforms that do not touch the monetary question are comparatively neglected. An economic issue that is little understood and is supremely important is submitted to a vote of the people. Never before has the principle of the referendum been put so searchingly to the test.

The actual decision of the question hinges mainly on the effects of the mere transition from one standard to another. What will happen during the operation of discarding gold and introducing silver? As regards this change in itself, the workman is virtually invited to relinquish a part of his wages and to get it again if he can. He is urged to vote that coins of small purchasing power be paid to him for his labor, and to take his chance of afterwards making his employers pay more of these coins. He is asked to let his savings-bank deposits, his insurance policies, *etc.*, be reduced in value. Debtors of every class, individuals, corporations and governments are urged to practice repudiation by euphemism. They are asked to pay their debts literally, dollar for dollar — that is, a cheap dollar for a good one. The price that the country would pay for such an advantage secured by debtors is already indicated by the loss of borrowing power that has followed the mere proposal. Coinage depreciation is credit annihilation. "Scale debts, and with them wages and savings. Repel the loans of capital that give employment. Destroy credit for the sake of 'booming' business." This is the demand made of the people.

Even in the presence of these critical and immediate issues, it is well to look beyond the mere transition from a gold stand-

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ard to a silver one. Is silver capable of serving alone as good money for the United States? Assume that the transitional effects are past. Debtors have gained, creditors have lost, wage earners have suffered, business has passed through a convulsion and is in process of recovery. It is too much to assume that credit is restored; but let us say that enough of it survives to enable business to go on. Under the most favorable circumstances that can be assumed as possible, how will silver act as money in this country? What will be the permanent effect of using it?

In earlier articles I have called attention to the fact — obvious in itself, although the theoretical cause of it has not been duly studied — that a money which slowly and steadily gains in its purchasing power lowers the rate of interest on loans.[1] That money gains in purchasing power means that commodities in general lose in price. It is an all-around and uniform fall of prices. Of course different articles are affected by different influences, and change in value unequally. Independently of changes in a monetary system, some articles decline rapidly, some decline slowly, and some remain stable or even rise in price. The change in the monetary system is a further influence that acts upon them all. If metallic money is becoming scarce and costly to the extent of gaining in value one per cent a year, it follows that an article which would otherwise have fallen in price by five per cent will fall six per cent; an article that would have remained stable in price will lose one per cent; and an article that would have gained five per cent will gain only four. This fall in prices, if it be slow and steady, acts on the rate of interest as calculated in money. It is not best to repeat the argument by which this is proved, since the fact itself is scarcely in doubt. The theory that is behind the fact may be the subject of controversy; but any man who is able to transact business, and to borrow capital for the purpose, knows that he pays as interest, except in emergencies, only what he can afford to pay, and that he can afford to pay what the borrowed capital earns for him. The earnings come

[1] POLITICAL SCIENCE QUARTERLY, September, 1895 and June, 1896.

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first in the form of goods. The shoe factory turns out more cases of shoes, and the blast furnace more tons of iron, in consequence of the new appliances that are procured through a loan of capital. The money that comes from the bank goes into machinery and raw materials; it creates finished goods, and these goods in themselves constitute the real interest on the borrowed capital.

The interest has to be paid in money, however, and so does the principal of the loan. If the machinery is shrinking in value, the price of it at the end of a year will not repay the principal. The borrower must provide for paying that as well as for paying interest, and he must keep some of the earnings of the capital for that purpose. In the illustrations given the manufacturers can not afford to pay to the bank, as interest, all the value of the shoes and of the iron that the new appliances create. They must keep some of the money that comes from the sale of these products to make good the declining value of the machinery and to enable them, in due time, to repay the money that they have borrowed. This is citing the obvious business fact that if a manufacturer has a plant that is declining in value, he can not pay the full price of its concrete products as interest on the loan that procured it for him. If a merchant has a stock of goods of which the average prices do not change, he can afford to pay one rate of interest; if his stock declines in value on his hands, he must pay a lower rate or trench on his own capital. In general he can get the loans at the lower rate; for if lenders try to exact more, their funds will in part remain unused. Capital, then, is loaned by the use of money. This money is converted into productive goods, which are then reconverted into money. The process looks like one by which money earns money, for by the intervention of goods more currency returns than was originally loaned. The amount of this returning money fixes the rate of interest on loans, and of course the amount is affected by changes in the prices of goods. Hence, falling prices mean reduced interest.

An inflation of the currency would raise prices. If it were to continue indefinitely and at a uniform rate, it would add to

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the nominal rate of interest as paid for loans. Borrowers then would not gain by the rise in prices. On the other hand, a permanent and uniform contraction of the currency would reduce prices and would correspondingly reduce interest. This it has done during the past twenty years. Borrowers whose loans do not date from an earlier period have received the benefit of this reduction, and therefore have not suffered a clear loss through falling prices. If the production of gold, then, falls slightly behind the demand for it as the money of the world, — if there ensues what is equivalent to a slight and steady contraction of the currency of Europe and America, — it is safe to deny absolutely that results will follow that will burden borrowers, play into the hands of lenders, blight enterprise, *etc.* A reduction of the nominal rate of interest is all that will follow.

In stating these principles I have been aware of one large reservation with which they will be received. Steadiness in the movement of general prices caused by the appreciation of gold is essential to secure these results. A sudden rise in value of the monetary metal does what advocates of silver claim: it burdens borrowers, plays into lenders' hands and checks enterprise. Unsteadiness in the value of the monetary metal is a real blight on business. The two words that express what is most evil in currency are *unsteadiness* and *uncertainty*. Make the purchasing power of money rise and fall by movements that are irregular and incapable of calculation, and you give to the system the power to do in full measure the harm that has been dreaded as a consequence of the appreciation of gold.

Let us see how silver would act in this respect. The largest loss that can fall on a borrower comes to one who secures his loan when currency is rising in value and pays it off while currency is falling. It may be conceded that a serious hardship of this kind befell men who bought farms near the close of the Civil War and paid, or tried to pay, for them later. Such hardship would befall myriads of others if we should again enter on a policy of inflation and should afterwards abandon it. Permanent inflation, however, is impracticable. Even if we try to accomplish

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it by the issuing of irredeemable paper, we must stop somewhere. Money must have some metallic basis; and though that basis were silver alone, it must give, in the long run, a contracting rather than an expanding currency. As I tried to show in one of the articles above referred to, it is the nature of any metallic money to become *relatively* scarce and costly as the world grows more populous and richer. Manufactured articles become relatively cheaper and metals become, by comparison, scarcer and dearer.

Use the present stock of silver in the world, then, as money with which to pay all current notes. By so doing you make one large addition to the volume of money of redemption now available. Thus you start an inflation that can not continue by the use of silver alone. In the hope of perpetuating the rise in prices, follow the silver with paper. By the action of the principle that we have stated, you will thus make the interest on loans higher. Every man who buys a farm while the inflation continues will pay a high rate of interest on an inflated purchase price. When you are forced to stop the paper issues, as in the end you must be, the price of the land will fall, and the rate of interest on new loans will fall also. The price of all produce will go down, and the farmer will struggle again, as in the years following the Civil War he had to struggle, with a fixed debt, a fixed rate of interest and falling prices. The early *post bellum* days will be reproduced. Entering on a policy of inflation is, therefore, inviting men again to suffer what those suffered whose hard experience is so frequently depicted in Populistic literature. Conceding all that is claimed as to the evil that comes from buying or mortgaging real property while the value of money is rising and paying the debt so incurred while that value is falling, it is evident that a policy of inflation would inflict exactly that evil on new victims, unless a method can be invented by which the inflation can continue forever. Rather than to inaugurate again a policy that would lead to such a state, or to anything remotely resembling it, it would be far cheaper for the government to seek out every surviving debtor whose land was mortgaged during the war period and pay his debt outright. On

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no account should we put a myriad of new buyers of property through an experience parallel to that which some farmers now recall with so much of bitterness.

The greatest degree of evil, then, that changes in the purchasing power of money can produce comes when an experiment in inflation ultimately has to be discontinued. Remonetizing silver, however, would not permanently expand the currency; for silver is a metal, extracted from the earth like gold, and it can not in the long run increase in quantity as rapidly as the finished commodities turned out by machinery. In a decade silver would disappoint us, if we wished it to give us permanently rising prices. The original act of adding to the stock of gold now used as money the existing stock of silver would, indeed, be one grand act of inflation, causing an upward leap of prices; but after the prices of merchandise, land, *etc.*, had once adapted themselves to the new conditions, they would begin slowly to decline. It would be, in effect, inflation followed by contraction, with the evil consequences that such a transition involves. How serious those evils are many an American farmer knows by hard experience. Peculiarly wanton would be the public policy that should inflict them on a host of purchasers and debtors of the future.

Would not those evils cease if we should wait long enough, as those resulting from the paper issues of the war period are vanishing? As silver takes its turn in appreciating relatively to other commodities, shall we not, in the end, reach a state like that to which gold has brought us?

Silver will, certainly, gain in purchasing power, as gold is gaining. If the United States makes silver its sole money, the country will have an appreciating money. The evils that result from inflation succeeded by contraction are transitional, exhausting themselves in a half-century. It is hard for those on whom they fall; but the country recovers. Silver monometallism in America, if it were adhered to without the issuing of irredeemable paper that is foreshadowed, would end by giving us what we now have, a currency of increasing value as compared with merchandise. A country that hopes to

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escape from that condition by substituting the one metal for the other will be disappointed. The last state of that land will, in fact, be worse than the first. Silver will grow costly, as does gold; but it will appreciate less steadily than gold. The changes of its value will baffle calculation. By uncertain movements the value will go now upward, now downward, and again upward. The borrower will never know whether a fall in prices may not be impending which will make it hard to pay his debt; nor will a lender ever know whether a rise in prices may not cheat him out of a part of the principal of his loan. The blight of uncertainty will, in short, be thrown on commercial dealings. If we adopt a currency made of silver, we shall have to plead guilty to much of the indictment now brought against appreciating money. Silver will do the deeds that are now imputed to gold. It will burden borrowers and check enterprise; and it will do this by its unsteadiness.

It is alleged against gold that a large fraction of the annual product of it is used in the arts, and also that it is used by a circle of rich and undemocratic nations. In the current phraseology, the use of gold "ties us to plutocratic countries." These statements are made under the impression that they tell against the use of gold as money by the United States. What do these facts really signify?

That much gold goes into the arts means that there is a way of disposing of a surplus of the bullion with no disastrous change in its price. The market for it is very extensive and there is much elasticity in the demand for it, so that the production of it might vary from time to time without causing the price to change in any corresponding degree. The uses of gold can be indefinitely extended. This metal meets chiefly the desire for decoration. It is made into articles that serve as badges of caste, and ministers to a respectable and insatiable type of vanity which is universal in the human race. Give a man wheat till you glut his appetite and he will waste the surplus of it. A large crop of food produce thus gluts the desires of consumers, and causes the price for the whole supply to fall. It is the rigidity of the demand for farm products that

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makes an overproduction of them disastrous. A great excess of gold, however, would have no such effect, for it would find uses. Elasticity is the striking fact about the demand for gold.

In this respect silver is more like wheat than is gold. The demand for it in the arts, as compared with that for gold, is smaller and, what is of decisive consequence, more rigid. Much more silver can be used, of course, but not without glutting the wants to which it now ministers and degrading it to lower uses. If a greatly increased output of this metal is used in the arts, it must be for purposes for which inferior metals are now employed. A forced consumption of any large surplus of it must greatly reduce its price. It is against the action of exactly this law of nature that the producers of silver are now contending. They wish it kept in the currency and, to that extent, out of the arts. In the inelastic natural market in which silver bullion now has to be sold, a relatively small surplus suffices to break down the price. This, to a producer, is reason enough for struggling to keep it in the currency. From the standpoint of the business community the producer's argument amounts to *citing that quality of silver which unfits it for use as money as the reason for so using it.*

The liability of silver to great variations in its bullion price, in consequence of changes in production, is the most serious objection to using it as the medium of exchange. Natural instability of value is the final objection to a monetary metal. Thus, the experiment of using platinum for coins encountered as its chief obstacle the fact that the demand for it in the arts is not elastic. In this respect silver is better than platinum, but it is worse than gold. It has the quality that makes the natural fluctuations of its value disproportionately large.

What is the meaning of the second accusation brought against gold? Is it well or ill that we should be attached to the richer nations?

So far as the material of our money is concerned, the fact means that in using gold we have what is used both as currency and as bullion by a circle of countries capable of taking a large quantity of any thing that they want. This contributes

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in a decisive way to stability in the value of things there sold. It is important that the nations using gold should be large and rich; but it is also important that in commence they should be closely allied. We need a good market for surplus bullion; but we also need one that we can readily reach. Large and active mercantile dealings are a factor in steadying the value of currency. A quantity of gold thrown into the market of one nation divides itself among all countries with which that nation has active dealings.

Can South America and Asia furnish us outlets of this kind for silver? Can they pay for much of it? Are our dealings with them so intimate that an excess of precious metals in our own market can quickly reach them? For the single purpose of taking off our hands a surplus of a metal used for money, and so rendering the value of it stable, it must be confessed that "plutocracy" has its advantages. A rich market is better than a poor one; a large market is better than a small one; a market to which we are closely allied is better than one with which we have less intimate relations. In particular is an elastic market better than a rigid one; and this condition depends on the nature of the thing to be exported. It must cater to a want that is not easily glutted.

Each of these conditions of stable purchasing power is fulfilled by the metal gold: not one of them is fulfilled by silver. We are asked to discard the one and adopt the other. If we do it we shall have a money that is like gold in the fact that, in the long run, it will rise in value. It will be unlike gold in that it will rise unsteadily. Probably we shall, in the end, grow wise enough to return to the use of the steadier metal; but we shall have paid a high price for the wisdom.

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THE CORPORATION AS A FORM OF COLONIAL GOVERNMENT. II.

III. *The Corporate Colony.*

IT is now necessary to show how the last and most important stage in the development of the corporation as a form of colonial government was passed. In England, as the result of the combination of the council with the business corporation, two distinct types of organization had been produced. It remains to be seen how an open corporation of the London type — that is, one in which the membership was susceptible of indefinite increase — became merged in the colony which it was itself creating; and how, as a consequence of this, it discarded old functions and adopted new ones, thereby becoming radically changed as to the purposes, though not as to the form, of its existence. This change, it has been said, was accomplished in two ways: by the transfer of the governing body of the corporation and ultimately of its members and interests into the colony, and by the creation of a corporation on the place. These events were of sufficient importance to make an epoch in the history of English colonization; for, if we view them from the English and imperial standpoint, we see that they gave rise to a distinct form of colonial government; while if we view them from the American standpoint, that of local and national independence, we see that through them originated the earliest form of the American commonwealth. The transitional process by which, in the case of Massachusetts, the change was effected will now be traced.

As has been many times related, the Massachusetts Company developed out of an association of adventurers living in the neighborhood of Dorchester, England, who in 1623 founded a fishing-station at Cape Ann. This enterprise proved a failure, and after three years the partnership was dissolved. Only a few men remained at the station; but soon the Rev. John White of

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Dorchester interested other west-of-England men in the work of founding a colony, and six of them, in March, 1628, obtained by indenture from the New England Council a grant of the territory lying between the Merrimac and Charles rivers, and extending through to the Pacific Ocean. With this land governmental powers in the full and proper sense of the term were not and could not be bestowed. Neither were the grantors incorporated, but the grant was made expressly to them, "their heirs and assigns." They were made tenants, like any body of proprietors, though, according to the provision of this indenture, they held not of the New England Council, but of the crown. Apparently, then, the Council, in obedience to the statute *Quia Emptores*, resigned all its rights of soil and jurisdiction, and left the patentees face to face with the king.[1] They soon took advantage of their right to associate others with themselves. A number of east-of-England men became interested in the enterprise, and the result of the impulse which they gave was the procuring of a royal charter in March, 1629, confirming the grant of territory already made and adding thereto full corporate and governmental rights.

Now it should be noticed, in the first place, that the Company of Massachusetts Bay in New England, which was created by this grant, was modeled after the London Company organized twenty years before. Provision was made in the charter for a general court, which should meet four times a year during the law terms, and the Easter session of which should be called the court of election. Provision was also made for a governor, deputy-governor and board of eighteen assistants, all of whom should be chosen by the general court. They had powers corresponding to those of the treasurer, his deputy and the council in the London Company. In the Massachusetts board of assis-

[1] That this grant was not wholly regular is evidenced by the fact that within its bounds was included the territory which the New England Council had granted to Robert Gorges in 1622. Years after, Sir Ferdinando Gorges wrote in his Briefe Narration that, when the Earl of Warwick requested his consent to the issue of the patent to Sir Henry Roswell and his associates, he gave it "so far forth as it might not be prejudiciall" to the interests of his son, Robert Gorges. But apparently those interests were in no way regarded. Baxter, Gorges, II, 51, 59.

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tants we find no suggestion whatever of a royal council, showing that the old combination of 1606 had been entirely outgrown, and that the way had been cleared for the exercise of royal control directly through the Privy Council or a board of commissioners closely affiliated therewith. The governor, deputy and assistants were also empowered to meet monthly in a court[1] which in function corresponded with the ordinary court of the London Company. In one respect, however, the assistants of the Massachusetts Company had a position different from that of the council in the London corporation under the charter of 1612: six of them, with the governor or deputy-governor, constituted a quorum of the general court, and therefore, according to the common law, must be present whenever business was transacted.[2] Thus the Massachusetts assistants had in the legislative body a distinct place, which did not belong to the Virginia council. All the customary powers were to be exercised by the general court, either directly or through the machinery thus provided. Less elaboration was necessary than in the case of the London Company, because the membership[3] of the corporation was by no means as large, and much less business was done. Still we find that the Massachusetts men had their auditors, secretary, treasurer and special committees. Finally, to the general court of the Massachusetts Company, as to that of its progenitor, the power to increase the membership of the body was given. The word freemen also made its appearance in the Massachusetts charter as the designation of the members, whereas in the earlier patents for colonization the terms associates and adventurers had been commonly used.

[1] For the doings of such courts of assistants, while the company was resident in England, see Massachusetts Colonial Records, I, 42–44.

[2] The language of the document was as follows: "We do . . . give and grant . . . that the governor, or . . . the deputy governor . . ., and such of the assistants and freemen of the said company as shall be present, or the greater number of them so assembled, whereof the governor, or deputy governor, and six of the assistants, at the least to be seven, shall have full power," *etc.*

[3] The total membership of the Massachusetts Company was 110, and these included no livery companies and no individuals above the rank of knight. See S. F. Haven, "Introduction to the Records of the Massachusetts Company," *Archaeologia Americana*, III, 134 *et seq.*

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An imitation of the London model so close as that we have described must not be regarded as an accident. The patentees were men from London and the east of England, and were thus more or less conversant with the London Company and its work. They were at least in political sympathy with Sir Edwin Sandys and the other leaders in the London enterprise during the last six years of its existence. If, as was probably the case, they had ever thought of expanding their corporation into a colony, they could not take the New England Council as their model. There was no need of devising a third form of corporation, had that been possible, for the London system gave them what they wanted. Therefore it was chosen, and was so readjusted as to give form to a colony which should be not only democratic in type, but, so far as possible, independent of the mother country. The readjustment was effected by the transfer of the governing body of the corporation into the colony which it was creating. This removal was a fact of the greatest importance not only in the history of New England, but in the development of modern governmental forms, and as such is worthy of detailed study. In passing, moreover, it may be noted that, while the open corporation was being expanded and reproduced in New England, the close corporation of 1620 lost its vitality and disappeared.

The legality of the transfer of the corporation of Massachusetts into the colony it is not necessary to discuss at length. The views of writers concerning it have differed widely. The docket attached to the "king's bill" when the charter was drawn indicates that the intention of the king and of his law officers was that the corporation should be resident in England. It mentions the existence in the document of "clauses for y^e^ electing of Governors & Officers here in England," and says that such privileges were bestowed as "are usuallie allowed to Corporācons in England."[1] But in the charter as it passed the great seal are no words which necessitate the residence of the corporation in England. Indeed, Chief Justices Rainsford and

[1] Deane, "Forms used in Issuing Letters-Patent," in Proceedings of the Massachusetts Historical Society, 1869, p. 173.

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North, in an opinion which they delivered in the reign of Charles II, declared that the company was created a corporation on the place. It is not improbable that they were led to this conclusion by interpreting literally the words "in New England," which occur in the name of the corporation. But, however consistent this view may seem to be with the language of the charter, the docket, when taken in connection with the history of the company during the first year of its existence, shows that the corporation became established in New England as the result rather of removal than of original creation. For a year it was actually resident in England, and there transacted its business. Not till about five months after the issue of the charter was the project of removal mentioned in the general court. But that legal obstacles which might have prevented such a step had been carefully removed by the petitioners for the charter, or their advisers, is indicated by the statement made years afterward by Governor Winthrop, that it was intended that the corporation should be resident in England, but "with much difficulty we got it abscinded." [1]

The removal of the company's charter into Massachusetts was a matter of slight importance: the important fact was that the governor, the deputy-governor and the majority of the assistants came over. The last court of assistants held in England met on board the *Arbella*, March 23, 1630; the first session of the court in New England was held at Charlestown, August 23, 1630.[2] Although only a part of the patentees ever emigrated, no further sessions of the general court were held in England. It met for the first time in Massachusetts, October 19, 1630.[3] But before referring to the changes which took place in its organization and in the motives which underlay its later action, we must note how the business affairs of the company were settled.

At the meeting of the company held November 30, 1629, a board of ten, called undertakers, and made up equally of planters and adventurers, was chosen to take charge for seven years of the

[1] R. C. Winthrop, Life and Letters of John Winthrop, II, 443.
[2] Mass. Col. Recs., I, 70, 73. [3] *Ibid.*, I, 79.

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joint stock. They were to assume both the assets and liabilities of the company, and were guaranteed five per cent net profit on the business done. They were to receive half the profits of the fur trade with the colony; and were assured a monopoly of salt-making, of the transportation of passengers and goods to and from the colony and of furnishing the colonial magazine at fixed rates.[1] They were also to receive subscriptions to the common stock from such as might choose to invest, and on such terms as they, as managers, might determine. A treasurer was chosen to receive, care for and disburse all funds; and Governor Winthrop was made the head of the board. The undertakers provided vessels for the transportation of those who went with Winthrop, and possibly for a time thereafter; but to their subsequent activity, along this or any other line mentioned in the contract, we find almost no reference in the printed authorities. The settlement of the Dutch on the Connecticut and the Hudson, the preoccupation of the Kennebec by New Plymouth and of the Piscataqua by John Mason and his associates, prevented Massachusetts from absorbing a large part of the fur trade of New England. Such as there was appears to have been carried on by individuals or associations under conditions prescribed by the general court;[2] but of connection of the undertakers with it no evidence has been found. The meagre references in the *Records* and other contemporary authorities to the salt industry show that it was not of sufficient importance to demand much regulation,[3] and not the slightest

[1] Mass. Col. Recs., I, 62 *et seq.*

[2] *Ibid.*, I, 88, 93, 96, 179, 208, 322; II, 44, 83, 86, 110, 138; III, 53. In the Body of Liberties of 1641 there was no provision concerning Indian trade; but in the Laws and Liberties of 1649, as issued in 1660, appear acts for its regulation. One of these declares that "the trade of furrs with the Indians in this Jurisdiction doth properly belong to this Common-wealth, and not unto particular persons." See Whitmore's edition of the Colonial Laws of Massachusetts (1889), pp. 161, 242. The votes of the general court concerning this trade and the licenses it granted for its prosecution show how this principle was applied in practice.

[3] *Ibid.*, I, 331; II, 229. These references show that, while permission to experiment with new processes of manufacture was obtained from the general court, freedom to produce this commodity was enjoyed by all the inhabitants of the colony.

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trace of its being carried on by the undertakers appears. The part played by the magazine in the trade system of Massachusetts must also have been slight, for neither in the *Colonial Records* nor in the writings of Winthrop have we any account of its existence in the colony subsequent to 1630.[1] In fact, immediately after Winthrop's arrival in Massachusetts he was forced to send back to Bristol by John Pierce and Isaac Allerton of New Plymouth for a supply of provisions.[2] Early the following summer Allerton arrived in the *White Angel* with live stock and provisions for both Massachusetts and New Plymouth.[3] Private trading appears soon to have become the rule in the Bay colony. Of the undertakers who were expected to take up their residence in New England Isaac Johnson soon died, John Revell returned to England and Sir Richard Saltonstall returned temporarily to England, but afterward came back and settled in a remote part of the colony.[4] This left Winthrop and Dudley in Massachusetts as the only survivors of the board from whom active participation in its work might be expected. But in Winthrop's correspondence, as preserved, the only references to business transactions with the undertakers in England concern payment for the ships which brought over the emigrants of 1630.[5] With Samuel Aldersey, who, as treasurer of the company when Winthrop left England, was to care for the moneys of the "joint stock"[6] and pay them out upon warrants under the bonds of the undertakers, or any three of them, he apparently did not correspond at all.[7] In his *Letter to the Countess of Lincoln* Thomas Dudley said[8] that the loss of the live stock which had died on the outward voyage, the failure to send a supply of the same from Ireland and the delay in build-

[1] Of the existence of a magazine there previous to that time there is abundant evidence. Recs., I, 393, *etc.*

[2] Winthrop, History of New England (Savage's edition), I, 448.

[3] *Ibid.*, I, 69.

[4] Young, Chronicles of Massachusetts, pp. 315, 317, 336; Winthrop, I, 451.

[5] Winthrop, I, 448 *et seq.*

[6] Recs., I, 65.

[7] During the first year of Winthrop's residence in Massachusetts his son John was his business correspondent.

[8] Young, Chronicles, p. 321.

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ing "weakened our estates, especially the estates of the undertakers, who were three or four thousand pounds engaged in the joint stock, which was now not above so many hundreds."[1] Still in 1634 a committee, most, if not all, of whom were patentees resident in England, was appointed to choose from among themselves one to be treasurer for a year "for this plantation," and to grant a full discharge to the existing treasurer; and in 1638 Mr. George Harwood, the treasurer, was requested to present his account.[2] These entries indicate that commercial relations of some sort were for a number of years kept up with adventurers resident in England, but not with the undertakers as such. The hints which have been preserved concerning such relations do not seriously modify the conclusion that by the close of 1630 the joint-stock or purely commercial element in the Massachusetts enterprise had practically disappeared. It was decided that henceforth that Company should not directly engage in trade, but should confine itself to regulating it. With its removal into the colony it began to devote itself to the work of settlement and government. Trade continued and expanded, but in private hands, subject to the legislative and administrative control of the colonial government.

An analogous change was wrought in the land system of the colony at the time of the transfer of the government to Massachusetts. As will appear later, the corporations which were resident in England made their colonial domains to some extent sources of profit. They granted them to adventurers or settlers as rewards for sharing in the enterprises; they settled tenants and servants upon them; they might even collect quit rents. In May, 1629, while the Massachusetts Company was still located in England, a plan of this nature was adopted for the division of lands among the settlers at Salem.[3] Adventurers were to receive 200 acres for each sum of £50 invested, and to share proportionally for each multiple or fraction of that sum put into the enterprise. Adventurers who became set-

[1] From accounts growing out of transactions when the company was resident in England.

[2] Recs., I, 128, 238. S. F. Haven in *Archaeologia Americana*, III, 123.

[3] Mass. Col. Recs., I, 43.

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tlers, or who sent over others at their own charge, were to receive fifty acres for each person transported. Persons other than adventurers, who brought families at their own expense into the colony, were to receive fifty acres for the master of the family, and such amount in addition as, "according to their charge and quality," the governor and council in New England might think necessary. Provision was also made in the plan for a town in which adventurers should build their houses. A part of the domain was reserved by the company, and servants had already been sent over to cultivate it. A few large private grants had also been made to prominent adventurers. Though quit rents had not appeared, yet, under these instructions, a land system was in process of development in and about Salem which was similar to that established by the London Company in Virginia. It was a system in which the company acted as proprietor and so managed its estate as to secure a profit therefrom.

After Winthrop's arrival in Massachusetts, the corporation acted no longer in the capacity of a land company : it no longer sought in any way to obtain a profit from its domain. It is true that subsequent to that time, and in recognition of public services, it made some grants to individuals, but these were never large,[1] and after the first decade but few of them were issued. Instead, the township system developed, as it was doing under similar conditions in New Plymouth. This means that, owing to the circumstances attending the migration and settlement, the colonists established themselves in detached groups about Massachusetts Bay.[2] We know that in New Plymouth this process of dispersion went on in spite of the prolonged opposition of the colonial authorities.[3] There is also evidence that it was inconsistent with the original plan

[1] Egleston, Land System of New England, p. 24, in Johns Hopkins University Studies, vol. iv.

[2] The sickness which prevailed at Salem in the winter of 1629-30 and at Charlestown during the following summer and fall had much to do with this. It broke up completely the system of cultivating the company's land by means of indented servants. Young, Chronicles, p. 312.

[3] Bradford, History of New Plymouth, pp. 303 *et seq.*

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of Winthrop and his associates, but they yielded at once to the natural course of events.[1] The removal of the seat of the colonial government from Salem to Charlestown caused the former to appear distinctly as a town. Charlestown had enjoyed a separate existence for a brief time before it became the temporary residence of the governor and other magistrates. As the result of a second removal, Boston became both a town and the permanent place of residence of the colonial authorities. These and the other early settlements were established without express authorization from the general court, but soon the court began to name[2] them and to provide for fixing their boundaries. Constables were also appointed,[3] and other provision was made for the exercise within them of local powers subject to control by the colonial government.[4] For our purpose the important point is that the towns as communities become the chief grantees of the company's land. After the town had been established and its limits fixed, those of its inhabitants who were the direct objects of the grant became the proprietors of the land within its bounds, and either held and managed it as common or disposed of it to individuals. The colony as such made no effort to secure a territorial revenue: it did not establish a land office or a system of quit rents. Thus one of the most characteristic features of the provincial system was lacking. Only by the towns and their boards of proprietors was a work done which was analogous to that performed in the provinces by the governor and the officials of the land office. But even in the towns, whether when the commons were divided or when grants were occasionally made to individuals, the land was not often sold or leased.[5] Rent only occasionally appeared

[1] Dudley's Letter to the Countess of Lincoln, Young, Chronicles of Massachusetts, p. 313.

[2] Recs., I, 75, 94, 127.

[3] *Ibid.*, I, 76, 79.

[4] *Ibid.*, I, 167, 172.

[5] Boston Records, Book of Possessions, printed in Second Report of the Boston Record Commission, 1881. Charlestown Land Records, in Report of Boston Rec. Comm. for 1883. Roxbury Land Records, in Report of Boston Rec. Comm. for 1884. See also the able papers on the Genesis of the Massachusetts Town in Proc. of Mass. Hist. Soc., Second Series, vols. v and vii

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and in no sense formed a characteristic element of the system. At the same time all titles derived their validity from some prior grant of the general court.[1]

We have now seen what was the policy of the corporation of Massachusetts Bay concerning trade and land. In form, at least, the corporation was created to be a land and trading company. But it was not the intention of its founders that it should pursue those lines of enterprise. Under their management its activity was turned in other directions. In fact, after the removal of the corporation into Massachusetts, a form of organization was assumed which was incompatible with the cultivation of land and the prosecution of trade. This may be regarded as the negative result of the process we are describing.

The transition from the corporation to the corporate colony on its positive side will appear most clearly when we notice the change which it wrought in the character of the freemen. For some months after the arrival of Winthrop and his followers, the magistrates constituted nearly all the members of the corporation who were present in Massachusetts.[2] But at the general court held October 19 of that year more than one hundred persons, several of them old planters, applied for admission as freemen.[3] Had these been simply adventurers offering to purchase shares in a commercial enterprise or to remove into a dependent colony and take up land there, they would have been welcomed. Instead, we find the Massachusetts authorities hesitating. They seem to be casting about for means to save their enterprise from being swamped. They apparently desire to ascertain the political qualifications of the would-be freemen, and not their capacity to become good farmers or to pay for the stock for which they subscribe; and as things were, their fitness politically had to be determined largely by moral and religious considerations. The magistrates first and naturally seek to perpetuate their power by

[1] Colonial Laws of Mass. (ed. of 1889), p. 141; (ed. of 1887), p. 74. Recs., I, 117.
[2] Palfrey, History of New England, I, 323 n.
[3] Col. Recs., I, 79.

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procuring the assent of the settlers to an order giving to the assistants not only the right of choosing the governor and deputy-governor, but, with them, of making laws and appointing the officers to execute them. To the freemen was left simply the power to elect the assistants.[1] This was clearly a violation of the patent,[2] and was so acknowledged at the next session of the general court. At that time, May, 1631, John Winthrop was reëlected governor "by the general consent of the Court, according to the meaning of the patent"; and by the same body Thomas Dudley was chosen deputy-governor. If we seek for an explanation of this sudden return to the forms prescribed in the charter and the abandonment of the narrow oligarchical system of the previous year, we shall probably find it in the religious test which was established by the court at this session :

To the end the body of the commons may be preserved of honest and good men, it was likewise ordered and agreed that for time to come no man shall be admitted to the freedom of this body politic but such as are members of some of the churches within the limits of the same.[3]

With this condition established it was safe to admit freemen[4] and to entrust to them the election of all the magistrates, together with legislative power. The difficulty which had threatened the enterprise the year before was thus overcome, the first hard question solved. By this act more than

[1] Mass. Col. Recs., I, 79.

[2] On April 30, 1629, the general court in England created a subordinate government for the colony, consisting of a governor and council, and authorized them to pass all necessary orders for the control of the plantation and its inhabitants, sending copies of all such orders from time to time to the company in London. — Recs., I, 38. But this act could not serve as a precedent for the order of October 19, 1630, because the two referred to different institutions of government. The attempt to substitute the governor and assistants as a legislative body for the general court was distinctly inconsistent with the charter. Joel Parker, however, in Proc. of Mass. Hist. Soc., 1866, p. 48, seems to confound government of and by the company with subordinate government in the colony.

[3] Mass. Col. Recs, I, 87. Notice in this connection that the freemen are coming to be called "commons" and "people."

[4] The list of those admitted as freemen in 1631 is in Recs., I, 366.

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by any other, except the transfer of government, was effected the transition from the colonial corporation to the Puritan commonwealth. It was done by attaching to the position of freeman a wholly new qualification, and as the result of the change he became no longer an adventurer, but an active citizen.[1]

In May, 1632, it was voted that the governor, deputy and assistants should be chosen in the court of election, and that the governor should always be chosen out of the assistants.[2] In May, 1634, the powers of the general court as contained in the charter were reaffirmed. It was then declared that it alone had power to admit freemen, to make laws, to elect and appoint officers, to raise money and grant lands. The freeman's oath of fidelity to the commonwealth government, as established, was enacted by this court. It took the place of an earlier freeman's oath which, so far as I know, has not been preserved. If by the reference is meant an oath administered to members of the corporation while resident in England, the nature of the two was wholly different. The oath of 1634 provided for submission and loyalty to the "government . . . of this commonweale," and had reference to nothing but a political obligation.

The merging of the corporation in the colony necessitated an important change in the organization of the general court which was not contemplated in the charter. Significant though it was, it involved no change in the source whence the power of the body came. I refer to the development of the deputies, the element representing the localities in the court. This

[1] That the Massachusetts leaders were consciously working toward such a system as this test made possible is evidenced by their earlier and later utterances taken as a whole. But Winthrop's Modell of Christian Charity (3 Mass. Hist. Coll., VII) may be regarded as the best statement of their ideals as they were in 1630 and 1631. That the chief motive underlying the events of those years is the one here emphasized, is made very probable by that tract.

[2] Mass. Col. Recs., I, 95. As Winthrop was governor when this order was passed and was reëlected the next year, one must infer that the governor was considered a member of the board of assistants. Yet that is not the idea of his position which one would derive from the charter, while the records of the company when resident in England show that he was not then included in the board of eighteen assistants. — Recs., I, 60.

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was necessitated by the increase in the number of the freemen and by their dispersion, both of which were results of the founding of the colony by an open corporation. As Governor Winthrop told certain representatives who appeared before him in 1634:

> When the patent was granted, the number of freemen was supposed to be (as in like corporations) so few, as they might well join in making laws; but now they were grown to so great a body, as it was not possible for them to make or execute laws, but they must choose others for that purpose.[1]

As is well known, the deputies appeared as the immediate result of a protest against the narrow oligarchy established by the magistrates in 1630 and the levy of taxes by them alone. The protest of Watertown, though it was followed by submission, occasioned some important results. In the first place, it drew from Governor Winthrop the declaration that "this government was rather in the nature of a parliament" than of a mayor and aldermen, as the objectors had thought.[2] This is the earliest authoritative statement from a leader in the enterprise of the change which it was believed had been wrought by the transfer of government to Massachusetts. Expressed in modern scientific terms, it meant that by the change this body of freemen had been raised from the domain of private into that of public law. It was regarded as no longer in the proper sense of the word a corporation, but a commonwealth. The assistants, then, who, as Winthrop claimed, were representatives of the freemen, had, like members of parliament, full discretionary power to legislate and to levy taxes; while the freemen could exercise political control over them through elections and the presentation of grievances.

It is also probable that the protest from Watertown contributed to the legislation of May 9, 1632, which restored to the

[1] Winthrop, I, 153.

[2] *Ibid.*, I, 84. Of course, as has been shown, the type of corporation from which the corporate colony developed was not the municipality, but the trading company.

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general court the right of electing the governor and deputy governor. It certainly caused the issue of an order by that court that two from every plantation should be appointed "to confer with the Court about the raising of a public stock."[1] The language of Winthrop concerning this event, and the fact that this was a court of election, leads to the inference that the conferees were chosen then and there by the freemen present from the respective towns.[2] Winthrop says they were chosen "to be at the next Court to advise with the governor and assistants about the raising of a public stock."[3] There is no proof, however, that the conferees ever met. They are not mentioned again in the *Records*, and Winthrop makes no further reference to them. There is, furthermore, no record of the levy of another tax till March 4, 1633, and that was voted by the assistants.[4]

The movement, however, though stifled for the time, was secretly spreading. Shortly before the meeting of the May court of 1634, representatives from each town met to consider matters which were to be brought before that body.[5] They desired to see the patent. The reply of the governor to them shows that they also urged the establishment of a representative system. He put them off with the proposal that a committee of deputies from the towns should yearly be appointed to revise the laws and present grievances to the assistants, but not to make new laws.[6] This was by no means satisfactory, and by the next court it was ordered[7] that thereafter the freemen of each town might choose two or three representatives to prepare business for the general court and to act therein with full authority on their behalf in the making of laws, granting of lands and doing of what-

[1] Mass. Col. Recs., I, 95.

[2] Winthrop, I, 91.

[3] Winthrop's language implies that the court of assistants is here meant. This interpretation is also necessitated by all the circumstances of the case. The only regular session of the general court then possible in Massachusetts was the court of election, and that did not meet again till May, 1633. During the intervening twelvemonth the general court did not meet at all.

[4] Recs., I, 103.

[5] Winthrop, I, 152.

[6] *Ibid.*, I, 152.

[7] Recs., I, 118.

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ever else the freemen might do, elections only excepted. From this time on the general court of Massachusetts consisted of the assistants and the deputies. They sat together in one house till 1644, though in March, 1636 the legislative equality of the two bodies was declared.[1] Thus within a period of fourteen years from the transfer of the government the Massachusetts legislature had assumed its final form.

It always bore, however, not only in name but in characteristics, the marks of its origin. Like the general court of the corporation, it was wholly an elected body. The governor and assistants were elected just as truly as were the deputies, and for the same terms. From this point of view the only difference between the assistants and deputies was that the former received their mandate from the freemen as a collective body, while the deputies received theirs from the freemen organized into towns. As provided in the charter, the assistants, in addition to their legislative functions, were with the governor the permanent administrative council of the colony. They also assumed the new duties of the highest judicial court in the colony. To the fact that they were thus connected with the permanent work of government is to be attributed, at least in part, that rigid conservatism which the deputies found it so hard to overcome. As in the corporation, so in the colony, the general court was the source of power. Says the act of 1634, repeatedly confirmed in later years :

> It is hereby declared that the General Court . . . is the chief civil power of this commonwealth, which only hath power to raise taxes upon the whole country, and dispose of lands, . . . and may act in all affairs of this commonwealth according to such power, both in matters of council, making of laws and matters of judicature, by impeaching and sentencing any person or persons according to law, and by receiving and hearing any complaints orderly presented against any person or court.

The governor occupied toward the colony substantially the same position which he held toward the corporation in England.

[1] Recs., I, 170; II, 58.

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He possessed no veto power. No provision was made in the system for his guidance by instructions. As in the charter, so now by law, the number of sessions of the general court which must be held annually was specified.[1] After 1639 the court of election met without special summons. The only duty of the governor was to call the court together on extraordinary occasions,[2] and to preside over its deliberations. He was not empowered to adjourn or dissolve the court, without its consent: on these, as on other questions, he simply declared the will of the majority of that body.[3] His assent to the acts of the legislature was not required. Therefore, in Massachusetts the governor could not be considered a branch of the legislature; in no sense was he its constituting officer.[4] He was simply its president, as he had been of the court of the corporation in England, and had the casting vote when there was a tie.[5] When the court was divided into two houses he presided over that of the assistants. It was in his magisterial power, then, rather than in his connection with the legislature, that the governor of Massachusetts found his strength. He was, during his term, the permanent administrative head of the colony, and presided over its highest judicial court. Through the exercise of these functions he, with the men who surrounded him, could restrain and conserve: but the onward flow of legislation the governor could modify only through personal and official influence. His position, then, was in every way analogous to that occupied by Sir Edwin Sandys in the London Company, while in important respects it differed from that of the proprietary or royal governors. His position was stronger than theirs in one respect — he was an elected officer, and so might be supposed to carry with him the support of his constituents. His means of controlling legislation were much

[1] Col. Recs., I, 118, 170.

[2] *Ibid.*, I, 277. Colonial Laws (ed. of 1889), p. 142.

[3] See Body of Liberties, clause 69.

[4] In the General Laws as revised and issued in 1658 the general court is said to consist of the magistrates and deputies. No distinction is there made between the governor and the other magistrates. — Colonial Laws (1889), p. 141.

[5] Laws of 1641; Colonial Laws, p. 143. The governor also had the casting vote in the court of assistants. — Body of Liberties, clause 71.

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less direct than theirs, though as events proved they may have been quite as effective. The position of the governor in Massachusetts is but typical of the system of which he formed a part. It was a system in which tenure by election predominated,[1] a characteristic which resulted from the merging of the corporation in the colony and which made all the easier the transition to the commonwealth.

In order to complete the picture of the corporate colony as it developed in Massachusetts, it is still necessary to describe the additional functions which, after its removal, the corporation had to assume as a consequence of its becoming a political body. The general court, or at the beginning the assistants as a substitute for it, was in this system the center from which developed all the organs necessary for the government of the colony or jurisdiction ; and behind the general court was the body of freemen from which it derived its power. The system created was essentially democratic, for in it the more important offices were held by election, while those officers who were appointed received their commissions from the general court, which was itself an elected body.[2]

Immediately upon settlement the assistants assumed judicial powers.[3] At their first meeting in Massachusetts they issued an ordinance concerning process in civil actions, and ordered the arrest of Thomas Morton of Mount Wollaston. At their next session they tried him, apparently in a very summary manner, and sentenced him. Criminal trials occurred before

[1] The powers of the freemen in elections are very clearly and forcibly stated in the Body of Liberties, clauses 67, 68 and 74. Also in Gov. Winthrop's tract on "Arbitrary Government," Life and Letters, II, 444.

[2] In 1644 the elders, in reply to a question from the general court, thus gave their opinion touching this point: "If the affairs committed to such officers and commissioners be of generall concernment, we conceive the freemen . . . are to choose them, the General Court to set forth their power and places; but if the affairs committed to such officers and commissioners be of merely particular concernment, then we conceive the Generall Court may both choose them and set forth their powers and places." Col. Recs., II, 92.

[3] See Washburn, Judicial History of Massachusetts, pp. 13, 26. See also the important statement of the elders bearing on this mode in 1644. — Col. Recs., II, 91, 93. In the early laws of Massachusetts the existence of the court of assistants is simply assumed. — Body of Liberties, sect. 36.

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them at intervals from that time on, and sentences were executed upon their order. But this was an entirely new function, the exercise of which in England would have been an impossibility. Still, its continued exercise resulted in the assistants becoming the chief judicial court of the colony. In March, 1632, the assistants ordered that their own courts should meet monthly ; [1] but in March, 1636, it was enacted by the general court that for judicial purposes they should sit quarterly at Boston,[2] and these sessions became popularly known as the "great quarter courts." This act remained in force till October, 1649, when it was repealed and the sessions of the assistants were reduced to two per year.[3] By that time the jurisdiction of this court was so defined as to include cases of divorce, criminal cases involving a capital penalty, loss of member or banishment, and those which came on appeal from the lower courts.[4] In 1674 admiralty cases were placed under its jurisdiction.[5] Over this court the governor or his deputy presided ; and all the judges were of course elected, and that for annual terms.

In 1636 the general court created four inferior or quarter courts, which in 1643 became the county courts of Massachusetts.[6] The judges of these were the magistrates who lived near the place where the courts were held. They were of course elected officers. At the beginning there were associated with them persons selected by the general court from a larger number nominated by the towns of the district; and there should have been in each case enough of these to make with the magistrates a bench of five justices. The quarter courts exercised the lower criminal jurisdiction, tried civil cases which did not involve more than £10 and proved wills. In 1650, after the organization of the shire, an act was passed by the general court providing that the "associates" should be elected by ballot in the towns of their respective counties, at the time when votes were cast for magistrates ; and they were pre-

[1] Recs., I, 93. [2] *Ibid.*, I, 169. [3] *Ibid.*, II, 286.
[4] Colonial Laws (ed. of 1889), p. 143. [5] *Ibid.*, IV 2, 575.
[6] Recs., I, 169; Colonial Laws (ed. of 1887), p. 36; Recs., II, 38; Howard, Local Constitutional History of U. S., pp. 322 *et seq.*

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sented before the court of election for its confirmation.[1] These county courts tried all civil suits save those for divorce. In 1638 courts for ending small causes — 20*s*., later 40*s*., or under — were created to meet in the towns.[2] They were held by the resident magistrate, if there was one; or if there was none, by three commissioners appointed by the general court, or later by the county courts.[3] Sometimes the selectmen of the towns acted in this capacity.[4]

These courts were bound together by a system of appeals, under which cases could also be carried before the general court. This body, especially in the earlier years of the colony, discharged most important judicial functions. It tried many of the most important civil and criminal cases, and all which, like those of the Antinomians, were of a semi-political character. During such trials the deputies were placed under a special oath. But in 1642, after the judicial system of the colony had been measurably developed, it passed the following order:

Whereas this court is often taken up in hearing and deciding particular cases between party and party, which more properly belongeth to other inferior courts; this court being onely to help in such cases where the party can have no reliefe in any other Court, it is therefore hearby declared, that all causes between parties should first be tryed in some inferior court; and if the party against whom the judgment shall pass shall have any newe evidence or other newe matter to plead, he is to desire a newe triall in the same court upon a bill of reveiwe; and if justice shall not be done him upon that tryall, he may then come to this Court for releife.[5]

This shows that subsequent to 1642 the jurisdiction exercised by the general court was supplementary to the work done by the regular judicial bodies of the commonwealth: a tendency toward separation of powers was slowly working itself out, and the general court was confining itself more strictly to its proper legislative business.[6] But the important points here are that throughout the judicial system of Massa-

[1] Recs., III, 211; V, 31. [2] *Ibid.*, I, 239; II, 208.

[3] Colonial Laws (1889), p. 132. The edition of 1887, p. 22, says approved by county courts. [4] *Ibid.* (1887), p. 21. [5] Recs., II, 16.

[6] It will be recalled that in the statement of its own powers which the general court gave in 1634 that of judicature occupied a prominent place.

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chusetts the elected magistrate held the chief place, and that the courts were created by the legislature.

Under the power given in the charter to defend its grant, arms and ammunition were early sent from England by the company. In February, 1629, arms for one hundred men were provided.[1] After the removal of the government a system of defense was soon developed. Constables were appointed to keep the peace,[2] and the obligation of watch and ward was enforced in the towns.[3] Orders were frequently issued for the enforcement of the assize of arms.[4] In March, 1631, for example, the assistants ordered the towns to see to it that all their inhabitants, save the magistrates and ministers, were supplied with arms. Militia companies were organized in the towns, and trainings were frequently held.[5] When in 1635 it was feared that a general governor might be sent over, fortifications were begun on Castle Island, at Boston, Charlestown and Dorchester.[6] Several committees were appointed by the general court to take charge of military affairs. When in 1636 the danger was increased by the approach of the Pequot War, three militia regiments were organized by a grouping of the companies, and the governor was designated general.[7] It was at the same time provided that the members of each regiment should choose fit persons to be its colonel and lieutenant-colonel, and through their deputies present their names before the general court for approval. In the companies the same course should be pursued in reference to the offices of captain and lieutenant, and the nominees should be presented before the standing council for approval.[8] In 1643[9] it was enacted

[1] Recs., I, 26.
[2] *Ibid.*, I, 76 *et seq.*
[3] *Ibid.*, I, 85, 120 *et seq.*
[4] *Ibid.*, I, 84, 93 *et seq.*
[5] *Ibid.*, I, 85 *et seq.*
[6] *Ibid.*, I, 123, 124.
[7] *Ibid.*, I, 187.

[8] This was a body created in 1636, which consisted of members appointed by the general court for life. The only members ever appointed were Winthrop, Vane, Dudley and Endicott, three of whom were the most prominent among the governors of the colony. For a time immediate control of military affairs was intrusted to it by the general court, but because of the exclusive official spirit manifested in the creation of this body it was always unpopular with the deputies and soon disappeared.

[9] Recs., II, 49, 77, 117, 191; III, 32, 397. See III, 285 *et seq.*, for the law concerning commissions, which were granted by the general court.

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that the command of the entire military forces of the colony should be given to a sergeant major-general, who should be chosen at the court of election, and that the troops of each shire should be under a sergeant-major elected by the freemen of the shire. Officers as low as the rank of a cornet received their commissions from the general court. This continued to be the system for filling military offices as long as the colony existed under the first charter. Here again the elected official was as prominent as he was in the other departments of public activity, and military power within the colony proceeded from the general court. Further, in 1641 provision was made for the choice in the court of election of an admiral at sea.[1]

While the Massachusetts Company was resident in England the levy of contributions upon stockholders was discussed in the general court, and by it they were voted, if voted at all.[2] But taxation in the proper sense of the term became necessary when public functions were assumed by the corporation in the colony. Naturally, the general court would be the body to vote and appropriate these funds, but for reasons already stated the assistants exercised this power at the outset, though with the approval of the colonists. On September 7, 1630, the court of assistants at Charlestown voted that a certain quantity of provisions and money should be given to Captains Patrick and Underhill, and that the cost, with that of their lodging, should be met by a "publique charge." At its next session, September 28, it was ordered by the court that the sum of fifty pounds should be "collected . . . by destresse out of the several plantations" for the above purpose, and to each town was assigned its quota.[3] The assistants at their November meeting voted a similar levy upon the towns for the payment of two of the ministers, Wilson and Phillips.[4] July 5, 1631, a tax was voted by the same body "for the making of the creeke" at Newtown.[5] February 3, 1632, it was ordered[6] that sixty pounds should be levied on the several plantations, to be

[1] Colonial Laws (ed. of 1887), p. 48.
[2] Recs., I, 47, 62 *et seq.*
[3] *Ibid.*, I, 75, 77.
[4] *Ibid.*, I, 82.
[5] *Ibid.*, I, 89.
[6] *Ibid.*, I, 93.

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used toward the building of a palisade about Newtown. It was the last-named tax which occasioned the protest from Watertown against the exercise of the taxing power by the assistants alone, and through that led to the development of the system of representation. Apparently the assistants continued to vote taxes till 1634, when the general court, to which the deputies had just been added, ordered a levy of six hundred pounds for general public uses.[1] Thenceforward the taxing power was exercised by the general court, and annual levies followed in regular succession. The two leading financial officers of the colony were the treasurer and the auditor-general. The former official had existed in the company before its removal from England, and both before and after that event was chosen by the general court; but after the establishment of the colony he was regularly chosen in the court of election.[2] The office of auditor-general was created in 1645[3] and was discontinued in 1657. In 1654 treasurers of the counties were for the first time elected by the freemen therein resident,[4] and became from that time permanent officials of the colony. In the important act of 1647, which first regulated the assessment and collection of the county rate, it was provided that the treasurer of the colony should send his warrants to the constable and selectmen of each town, — these being elected officers, — and the constable should call together the inhabitants.[5] These should choose one of the freemen as a commissioner, who with the selectmen should make out a list of all taxable persons in the town, and of the estimated value of their real and personal estates. After these lists had been prepared, the commissioners of the towns in each shire should meet at the county seat and correct their lists, that is, equalize assessments.[6] These

[1] Recs., pp. 103, 110, 129.

[2] *Ibid.*, pp. 40, 65, 99, 118, 175, 195, *etc.*; Colonial Laws (ed. of 1889), p. 149.

[3] *Ibid.*, II, 141 *et seq.*; IV[1], 318.

[4] *Ibid.*, III, 341; Colonial Laws (1889), p. 196; Colonial Laws (1887), p. 150, *etc.*; Howard, p. 340.

[5] *Ibid.*, II, 213; Howard, pp. 341 *et seq.*

[6] In 1668 two commissioners for each shire were first appointed by the general court to meet the town commissioners, and with them to equalize assessments between the shires. — Recs., IV[2], 363.

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should then be sent to the treasurer of the colony, who should issue warrants to the constables of the towns to collect the tax and pay it into the treasury of the jurisdiction. The treasurer must also keep accounts of all dues, receipts and payments to or by the colony,[1] including dues and receipts not only from rates, but from forfeitures, fines, gifts, legacies, rents, customs, *etc.* Payments should be made only by virtue of some settled custom, law or order of the general court, or, while that lasted, of the standing council. When the revenue derived from the administration of justice in a county was not sufficient to meet the expenses of its government, the county court could levy a rate. This also was collected by the constables; while the relation borne by the county treasurer to the fiscal system of the county was similar to that in which the colony treasurer stood to the financial system of the jurisdiction. The accounts of the treasurers were audited by the auditor-general, often in conjunction with committees of the general court. After the disappearance of the office of auditor-general, that work was done exclusively by committees of the general court. The essentially democratic character of this system of taxation and revenue is further evidenced by the announcement as a general principle,

> that every inhabitant should contribute to all charges, both in Church and Commonwealth, whereof he doth or may receive benefit: And every such inhabitant who shall not contribute proportionably to his ability to all common charges, both Civil and Ecclesiastical, shall be compelled thereunto by assessment and distress.[2]

Proportional contribution by all to meet public needs had as its counterpart popular control over the expenditure of the funds thus collected. This principle was stated in the most comprehensive terms in the Body of Liberties of 1641:

> The Generall or publique Treasure or any part thereof shall never be expended but by the appointment of a Generall Court, nor any Shire Treasure but by the appointment of the freemen thereof, nor any Towne Treasure but by the freemen of that Township.[3]

[1] Colonial Laws (1889), p. 196. [2] *Ibid.* (1889), p. 134.
[3] Body of Liberties, clause 78.

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The internal organization and functions of the local communities, the towns, within this commonwealth are not properly included within the subject I am here discussing. But that they were democratic in form and that they were organized under the authority and existed under the control of the general court is too well known to demand more than a passing reference. That their territorial affairs were so regulated has already been shown. The act of March, 1636, also bestowed on them rights of local government, which were to be exercised in and through a town-meeting.[1] The Body of Liberties again states clearly the origin of the selectmen, as well as the governmental position of the towns:

> The freemen of every Towne or Township shall have full power to choose yearly or for lesse time out of themselves a convenient number of fitt men to order the planting or prudentiall occasions of that Town, according to instructions given t[illegible] n writing, Provided nothing be done by them contrary to the publ[illegible]e laws and orders of the Countrie, provided also the number of such select persons be not above nine.[2]

But probably the appointing power was exercised in the earlier years of the colony in the towns and by the selectmen on a larger scale than elsewhere in the corporate system. Of the long list of officials through whom private activity was regulated in these local communities, a large proportion were appointed by the selectmen.[3]

Finally, the corporation of Massachusetts Bay assumed ecclesiastical functions which were exercised chiefly in the local communities. This was the part of the enterprise upon which the Puritan most set his heart, and from it originated the motive which led him to transfer the government of the colony into New England and renounce forever trade and land speculation as a corporate function. Said the general court in its first letter to Charles II:

> This vizt. our libertye to walke in the faith of the gospell with all good conscience according to the order of the gospell, . . . was the

[1] Recs., I, 172. [2] Body of Liberties, clause 74.
[3] Howard, Local Constitutional History, pp. 83, 97.

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cause of our transporting ourselves, with our wives, our little ones and our substance, from that pleasant land over the Atlanticke Ocean into this vast and wast wilderness, choosing rather the pure Scripture worship, with a good conscience, in this poore, remote wilderness, amongst the heathens, then the pleasures of England with submission to the impositions of the then so disposed and so far prevayling hierarchie, which we could not do without an evill conscience.[1]

This cause and justification of their action, after the enterprise had been well launched, they never lost an opportunity to express. Before that, however, while Archbishop Laud was in a position to injure them, they were very reticent. Yet ministers were hired and sent into the colony while the company was still resident in England. A church was organized at Salem, and when the charter was brought over the formation of local churches was continued. These congregations were gathered in the local communities, though from the legal standpoint they were not necessary parts of the towns where they existed. But in form they were quite in harmony with the system of which they constituted a part, for they were local ecclesiastical democracies. Had it been possible logically to develop this system, it would have led to a confederation of local churches wholly separate from the state. But in the face of almost certain opposition within the colony and from England that was not possible. Hence, as was done by the English Parliament after the Restoration, the system of the religious test was adopted by the Massachusetts general court. Not only did this change the character of the freemen, but it established a close relation between the ecclesiastical and the civil power within the colony. This drew in its train other laws and orders for protecting the churches and securing the religious purity of the freemen. In 1634 it was enacted that only the general court had power to admit freemen.[2] In 1635 a law was passed that none but freemen should vote in town-meetings on any measure of necessity or authority, such as the receiving of inhabitants or the laying out of lands.[3] In that year also[4] the elders were asked to consult about an order of

[1] Recs., IV[1], 450.
[2] Col. Recs., I, 117.
[3] *Ibid.*, I, 161.
[4] *Ibid.*, I, 142.

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discipline and to consider how far the magistrates might interpose to preserve uniformity and peace among the churches. In 1636 the magistrates first asserted the right to control the institution of churches.[1] They would approve of no churches thereafter formed unless, previous to their organization, the magistrates and elders had been notified and had signified their approval. No person who was a member of a church not thus approved should be admitted as a freeman. In 1637 and 1638 orders were passed providing that all inhabitants, non-freemen as well as freemen, should be taxed for the support of the clergy and of public worship.[2] By the orders of 1643 and 1647 provision was made that all church members who had not applied for admission as freemen should be dealt with by the churches and not be exempted from the burdens of office-holding.[3] In 1646 attendance at church was made compulsory under penalty of a fine of five shillings.[4] Thus developed an important body of legislation, the result of which was, so far as possible, to guarantee the permanence of the ecclesiastical system by establishing over it the control of the government. Questions more or less purely ecclesiastical in character were brought in large numbers before the secular courts. The advice of the clergy concerning these, as well as about questions wholly secular, was frequently sought. On the plea, familiar also in Europe, that by the expression of certain religious opinions the public peace was disturbed, civil penalties were inflicted for heresy and kindred offenses. As the government became more involved in religious controversies and struggles, the churches, in spite of themselves, became to an extent secularized. A system essentially mediæval[5] in its character, though it devel-

[1] Col. Recs., I, 168.

[2] *Ibid.*, I, 216, 240; principle reaffirmed, II, 60, 209. Of course the payments made at the public charge in 1630 to Mr. Phillips and Mr. Wilson, already referred to, meant the same thing.

[3] *Ibid.*, II, 38, 208. [4] *Ibid.*, III, 99.

[5] That the view of the Puritan concerning historical development was essentially mediæval, an examination of the literature of the movement will abundantly prove. To him it was the result of the providential dealings of God with men, culminating in the establishment of the kingdom of God on earth and the ruin of all its opponents. Winthrop and Bradford, for example, thought the founding of their colonies to be not unimportant chapters in this great chronicle.

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oped out of a violent protest against mediævalism, thus arose. The churches, though in theory largely independent local bodies, soon had to combine under the favor and protection of the government in order to uphold their polity. We soon find them holding synods, and even uniting for this purpose with neighboring colonies. Thus grew up a federal system of church relationships in which, though the congregations remained the source of power, ample provision was made for the strength and independence of the clergy.

Having now completed our review of the functions assumed by the Massachusetts Company in consequence of its development into a colony, we must in closing indicate the source of political conflicts within this organism. There was no organic reason for conflict between the different elements of the general court, for they all derived their powers from the same source, and held them by similar tenure and for the same term. So far as their origin and form were concerned, all the parts of this structure were similar and consistent. The communities which made up this colony were for the most part peopled by farmers, among whom there were no sharp distinctions of wealth or social position. To be sure, in Massachusetts as in the other colonies, many points of social etiquette and custom which savored of class distinctions were punctiliously observed, but they were not of sufficient importance to determine the type of political society. Still there were bitter and prolonged struggles in Massachusetts under the first charter, showing that in this seemingly self-consistent democratic system there were elements of strife. We have seen the beginning of this conflict in the successful efforts of the freemen to take from the assistants the exclusive power to tax. It appeared again in 1634 when the inhabitants of Newtown asked for leave to remove to the Connecticut.[1] The majority of the assistants were opposed to granting the request, while the majority of the deputies were in favor of granting it.

"Upon this [says Winthrop] grew a great difference between the governor and the assistants and the deputies. They would not yield the

[1] Winthrop, I, 167 *et seq.*

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assistants a negative voice, and the others (considering how dangerous it might be to the commonwealth, if they should not keep that strength to balance the greater number of the deputies) thought it safe to stand upon it.

The demand of the deputies at this time evidently was that the general court should not only sit, but vote, as a single democratically organized assembly; and in that case the numerical superiority of the deputies would enable them to carry the day. But in this they did not succeed. At the next election, however, some changes were made in the personnel of magistrates, after which leave was granted to the towns desiring it to remove.[1] Again in 1642, after the legislative equality of assistants and deputies had been affirmed, the controversy was resumed. This time it was occasioned by the celebrated dispute over the ownership of a sow between Mrs. Sherman and Capt. Robert Keayne.[2] The controversy was intensified by the jealousy existing among the people of Salem and the remoter towns of the north because they were governed so exclusively by a group of magistrates living in and about Boston. Winthrop's management of relations with the French on the north strengthened the feeling of opposition. Attacks were made on the standing council, and also on the magistrates, because of their continuance as an independent component of the legislature, and because of the large administrative discretion they used. The opposition culminated in a proposal to move the seat of government into the northern part of the colony, and to add four members from that region to the board of magistrates.[3] The attack on the discretion of the magistrates was directed against the independent manner in which they exercised their administrative and judicial powers, chiefly when they were acting as responsible heads of the government during the recesses of the general court. It included, among other things, a demand that specific penalties should be fixed by law for all offenses. It was provoked in part by the

[1] Winthrop, I, 188, 191, 204, 223.
[2] *Ibid.*, I, 377 *et seq.*; II, 77, 83 *et seq.*
[3] *Ibid.*, II, 204.

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frequency and summary way in which the magistrates arrested, examined, imprisoned or bound over suspected or obnoxious persons, and that from much the same motives of public policy which induced the king to act through Star Chamber or High Commission in England. In the course of this discussion the deputies urged that, so far as the governor and assistants were concerned, the general court was supreme, for they derived their power wholly from it; and that, as had been done in previous cases, the charter might be departed from with impunity. But as in the charter the governor and assistants were clearly made an administrative council, the magistrates fell back upon it, and argued that their position was anterior to written laws and to courts, and that their powers must be coextensive with the needs of administration.[1] This view received the support of the clergy and prevailed.

The legislative independence of the assistants was popularly called their veto power or their right to the negative voice. The assault on this involved a discussion of their position in the general court, as provided in the charter. Winthrop was able to show, as we have seen, that according to the charter they held in the court the position of a quorum. He claimed also, though apparently without justification, that this implied the power on the part of the assistants to assent to and hence to reject all propositions brought before the court, and therefore that the negative voice was original and fundamental. Not only, he argued, was the presence of the quorum of assistants necessary to a legal session of the general court, but they as a distinct body must legislate in it.[2] Here again on the general issue the elders supported the magistrates, and the position of the latter was made impregnable by the division of the legislature into two distinct houses with co-extensive powers. The magistrates were accordingly successful in preserving both their administrative discretion and their negative

[1] Winthrop, II, 204 *et seq.*, 251 *et seq.*; Recs., II, 90–96.

[2] See Winthrop on the negative vote, Life and Letters, II, 428. Compare the view he there gives of the power of the quorum with the commissions of the peace, and the comments on the same, in Lambard, Eirenarchia, pp. 34, 46, and in Burns, Justice of the Peace (11th ed.), III, 7, 19.

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voice. Thus ended the most important political struggle under the first charter.

The other internal conflict of this period was occasioned by the efforts of various religious nonconformists, like the Antinomians, the Presbyterians and the Quakers, to obtain freedom of worship or to break down the established ecclesiastical system. Connected with these were the silent efforts of the non-freemen, of which occasional hints appear, to obtain the franchise through an abolition of the religious test. After 1660 both these forms of conflict ceased, and the colony became, externally at least, a unit in carrying out its policy of passive resistance to the crown.

If now we seek for the cause of these struggles, a cause which determined the form they took, we shall find it in the connection between the civil and the ecclesiastical power within the colony. That caused the alliance between the elders and the magistrates, a combination which was usually powerful enough to carry elections and to control the general court, and which gave to the system strength at the center sufficient for nearly two generations to resist all attacks. From this alliance proceeded a definite policy, strong administrative traditions and a rigid conservatism combined with a tendency to aggression which showed itself whenever, in conflict with weaker neighbors, the interests of the colony could be promoted. The clique of magistrates and elders which thus governed Massachusetts had its center at Boston. It was for the time and place an unusually able group of men — in intellectual and moral qualities an aristocracy. Its members were dignified and sought, as circumstances permitted, that their public functions should be attended with a certain pomp, which is also indicative of the aristocratic spirit. As is well known, these leaders did not believe in democracy — that is, in equality — either as a social or a political ideal; and they did not hesitate to express their disbelief in it. They were vividly conscious of the intellectual, and particularly of the moral, distinctions between men, and they were committed to the maintenance of a system in which these received perhaps too exclusive recognition. But in order

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to establish and perpetuate the Puritan system they, by their ability and official influence, checked the tendencies toward pure democracy which were inherent in the beliefs of the Massachusetts colonists and in the social conditions under which they lived. The application which they made of the religious test to the exercise of the suffrage, combined as it was with the rigid inquisition to which candidates for church membership were subjected, divided society more sharply than could be done by any property qualification which is practicable in the modern state. As the result of this measure the freemen became within the total population of the colony a politically and socially privileged class. Within the class of freemen the relatively permanent group of magistrates and elders held a position of leadership which was partly official, partly political, in its character. In this sense and to this extent Puritan Massachusetts was aristocratic,[1] and the presence of this element in a society which was otherwise singularly democratic in its organization occasioned the internal political conflicts under the first charter. With the decline, then, of religious fervor and the disappearance of the religious test might be expected the removal of the most serious internal obstacles to the triumphant assertion of the democratic spirit in Massachusetts.

HERBERT L. OSGOOD.

[1] See Col. Recs., II, 95.

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POLLOCK AND MAITLAND'S HISTORY OF ENGLISH LAW.[1]

OUR knowledge of the development of English law in the twelfth and thirteenth centuries has been so enlarged in modern times, by important publications of material and by special investigations, that a comprehensive presentation has come to be not merely a promising task but an urgent need. Reeves's *History of the English Law*, which in the first volume of the latest edition deals with the period down to Edward I, must be described to-day as antiquated. Published a century ago, it was for the time an exceedingly meritorious work; but Finlason's attempt to modernize it was a lamentable failure, and his alterations and additions, as I think I demonstrated[2] in 1873, marked no advance but rather a deplorable step backward. There is the more reason for welcoming a work in which two legal historians, who long ago gave notable proofs of capacity, have at once brought the history of English law, for the period from 1154 to 1272, up to the full height of modern scientific research. With a style that is always dignified and often captivating, it has what I regard as the highest excellence in legal-historical writing: it is thought out, all through, in an eminently realistic spirit. Its importance consists not merely in its direct promotion of the knowledge of English legal development, but also in the fructifying influence which it may be expected to exercise upon the history of other Germanic legal systems.

From the older school of English legal historians, who treated the English law as a thing by itself, completely isolated from the rest of the world, and who recognized its derivation from the common law of the Germanic races only incidentally — usually by an occasional citation from Tacitus, — Pollock and Maitland distinguish themselves by bringing into English legal history the full stream of scientific results attained by Germanistic research during the past three decades. The German literature has been extensively con-

[1] The History of English Law before the Time of Edward I. By Sir Frederick Pollock, Bart., M.A., LL.D., Corpus Professor of Jurisprudence in the University of Oxford, and Frederic William Maitland, LL.D., Downing Professor of the Laws of England in the University of Cambridge. Cambridge, University Press, 1895. 2 vols., 8vo; xxviii, 678, xiii, 684 pp.

[2] *American Law Review*, vol. viii, pp. 138 *et seq*.

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sulted and is frequently cited. Considerable use is made of conceptions peculiar to German law. German legal expressions, such as "thinglike" and "thinglikeness" (*dinglich*, *Dinglichkeit*), are introduced into English legal speech. Constant attention is paid to the Norman law and its sources, although, in my judgment, the influence which it has exercised upon the development of the English law should have been more strongly emphasized.

The proportion in which each of the two authors has contributed to the common work is not indicated in the book itself, although a prefatory note by Pollock declares that the execution of the plan drawn up in common has devolved for the most part upon Maitland. Earlier investigations by Pollock and by Maitland afford sufficient data for determining with some degree of precision the authorship of portions of the work; but since the authors themselves do not desire that any distinction should be drawn between their separate contributions, the reviewer is not entitled to express any conjectures upon this matter, but is bound to treat the work of the two authors as their intellectual property "*zu gesammter Hand*," as the German law has it, or, to use an English phrase, as a sort of "tenancy by entireties."

As the title of the work indicates, the history of the English law is to be treated only down to the accession of Edward I, the English Justinian. This limit of time, however, is not rigidly observed: the description of many legal institutions starts, for the sake of obtaining a convenient point of departure, with the form which they have assumed in the common law. In some cases, too, the development is traced back to the ancient Germanic beginnings.

The authors divide their material into two books. The first book, a "Sketch of Early English Legal History," corresponds to what German writers call "general" or "external" legal history. The second book, "The Doctrines of English Law in the Early Middle Ages," is devoted to the institutions of private and of criminal law and of the law of procedure. Constitutional history proper is excluded. The authors originally intended to add a third book, which was to contain studies on Domesday Book. This plan they abandoned — and rightly, for these studies would have fitted ill in the frame of the published work, which deals most fully with the legal development from Henry II to Edward I.

As it is quite impossible even to summarize the rich contents of *The History of English Law*, I must confine myself here, at the risk of seeming a captious critic, to singling out a few matters which

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give occasion either for indicating a different point of view on my own part or for corrections or additions.

The first book begins with a general view of Anglo-Saxon legal conditions. Although these ought to be depicted only with reference to the Anglo-Norman period, the whole section is still a little too scanty, and is not on a level with the other chapters of this excellent work. Precisely in view of the later development, mention might have been made of the power of mitigating (*lîhting*) the strict law which, according to Edgar, iii, 2, pertained to the Anglo-Saxon king. For the *Danelag* no use appears to have been made of Steenstrup's *Normannerne*. The general extension of the system of compositions, which is shown by Ælfred, Introduction, 49, § 7, is not considered. The Burgundian king mentioned on pages 16 and 28 of the first volume was not named Gundobald, but Gundobad. The historic position of the *gesiðas* is not made quite clear, because the transplantation of this oldest class of Anglo-Saxon retainers from the lord's house and their transformation into a hereditary estate of privileged landholders are overlooked. The same development occurred afterward in the case of the thanes, who originally held office in the household of the lord. There is a misconception of Cnut, ii, 22, when this passage is cited to sustain the statement that "a defendant who was of evil repute might be driven to clear himself by the fore-oath alone" (vol. i, p. 16). The fore-oath drove the *homo credibilis* to clear himself, and this he did by simple oath of purgation. The *homo incredibilis*, the man of evil repute, had to swear a threefold oath or accept the ordeal. The Anglo-Saxon slavery for crime cannot be regarded as a payment of composition by service, as the "working out of a debt."

In Chapter III, "England under the Norman Kings," the narrative reaches firmer ground. The development of the legal language and the relative influence exerted upon it by the Anglo-Saxon and the French are vividly and attractively described. The striking fact is made clear that the Anglo-Saxon legal terms continued to exist only in the case of antiquated institutions, while the new and living law appeared in French garb. The illustrations given by the authors may perhaps be supplemented by instancing the rules regarding the *iuramentum fractum* and *planum* (*non fractum*). That the distinction was known to the Norman law, is proved by the *Concilium Lillebonnense* of 1080. What the authors say on page 68 of the first volume about the *iuramentum fractum* is partly corrected by note 1 on page 599 of the second volume, where it is indicated as possible that the oath in question was one "broken into clauses," *i.e.* dictated

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clause by clause. To me there is no question about the matter: a comparison of the old French sources leaves no room for doubt. When it is said in William, ii, 3 (*cf.* iii, 12), that the Frenchman is to defend himself against the Englishman with an unbroken oath (*mid unforedan áðe*), this implies, in my judgment, that at that time the Anglo-Saxon recited to his Anglo-Saxon adversary, who was taking the oath, the formula of the oath, clause by clause, in the Anglo-Saxon tongue. As the Norman did not understand Anglo-Saxon, he could not be constrained to have the oath dictated to him by the Anglo-Saxon, and to repeat it word for word; he was allowed to swear a simple oath, without observance of words recited, and, as we may well assume, in his mother tongue. In the *Leges Henrici* (64, § 3) this privilege of the *Francigena* appears as the special right of the *alienigena* in general. The German legal sources also are acquainted with the exemption of the foreigner from the "staved oath" (*gestabter Eid*, the *iuramentum fractum* of Anglo-Norman law).

Chapter IV contains a valuable discussion of the relation of English law to Roman and to canon law. Of the two it was the canon law that exercised by far the more important influence. In antithesis to the legal development of Germany, the clergy in England supported the national law against the Roman law. The royal judges, by whom the English common law was elevated from a rude mass of uncertain customs into a consolidated and harmonious system, were churchmen loyal to the king.

Chapter V, "The Age of Glanvill," deals with the reforms of Henry II, which introduced the jury of proof into judicial procedure and laid the basis for the development of the procedure by writ, "the strongest bulwark against the Romanizing of the English law." The history of the *curia regis* and of the courts that branched off from it is excellently narrated. Acute are the remarks upon Glanvill's *Tractatus*, regarding which the conjecture is expressed that it was not composed by Glanvill himself, but by his secretary, Hubert Walter. On page 123 it is declared to be probable that Henry II introduced the recognitions in Normandy before he became king of England. According to the position of the documents in the *Liber Niger Capituli Baiocensis*, it is, in my judgment, indubitable that the introduction of the recognitions in Normandy took place not later than 1150–1152, and thus preceded the similar measures of Henry II in England, and served as a model for them. Of course the decisive documents cannot be used in the form in which they are printed by

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Bigelow, who did not know how to date them. For the explanation of *Magna Carta*, c. 38 : "Nullus ballivus ponat de cetero aliquem ad legem (1217 : ad legem manifestam nec ad iuramentum) simplici loquela sua sine testibus fidelibus ad hoc inductis," I permit myself to refer to a privilege of Eleonore of 1146, (printed in Giry, *Établissements de Rouen*, II, 72): "Impetebant servientes seu ministri nostri quemlibet hominem Vindocinensis ecclesie in praefata insula (Oléron) de quolibet forisfacto absque presentis testis productione et imposite culpe purgationem nisi per duellum vel per calide aque iudicium nolebant recipere." This unreasonable *consuetudo*, known as the *appellatio regis*, was abolished.

In the chapter on "The Age of Bracton," a period in which no other living legal historian is so thoroughly at home as the editor of Bracton's *Note Book*, the work increases in strength and interest. From the abundance of suggestive thoughts I single out the remark made in connection with the different fate of the Roman law in England and in Scotland : "Romanism must come sooner or later ; the later it comes the purer and the stronger it will be" (vol. i, p. 202). This is completely true as regards the reception of the Roman law in France and in Germany.

The second book begins with an instructive description of tenures The *Notitia de Servitio Monasteriorum*, cited on page 221, cannot be dated with certainty from the year 817, and we have it only in a text fabricated by a Septimanian forger. On page 254, note 1, instead of Warnkönig, *Französische Staats- und Rechtsgeschichte*, II, 86, the citation should be: Delisle, *Recueil de Jugements de l'Échiquier*, No. 304, where the passage is printed in a better and more intelligible text. As regards the history of the *assisa utrum*, one of the oldest and longest-lived of the recognitions, it is possible, I believe, to reach somewhat more substantial results. In Normandy it had, from the start, a petitory character. Only in case the *recognitio* yielded no result because no valid verdict was obtained, was the possession at the moment decisive of the question whether the ensuing controversy was to be conducted before the ecclesiastical or before the secular court. In England the assize appeared at first as a possessory procedure ; it did not lead to a final decision, but from the start sought only to determine whether the ecclesiastical or the secular court was the competent forum. From the time of Glanvill on, the action acquired more and more a petitory character, until it became the real writ of right of the churchman. That Henry II, in the Constitutions of Clarendon, gave the *assisa utrum* in England a merely provisory char-

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acter, departing in this respect from the Norman usage, may be regarded as a prudent consideration of the feelings of the English clergy, whom he did not desire to antagonize at that time in questions of ecclesiastical property also.

In the discussion of the alienation of fees, the remark is made that "Glanvill nowhere says or implies that the tenant cannot alienate his land without his lord's consent" (vol. i, p. 313). In my judgment it is an unavoidable inference from what Glanvill says (vii, 1, 9), that he regarded an alienation without the coöperation of the feudal lord as admissible only in the way of subinfeudation. Otherwise Glanvill could not have excluded altogether the reversion of land bestowed by the father on the son, by virtue of the rule, "nemo eiusdem tenementi simul potest esse heres et dominus"; for this presupposed the impossibility of a gift in which the ancestor who made the gift renounced the position of *dominus*, that is, it presupposed the inadmissibility of alienation by way of substitution.

In the following chapter, "The Sorts and Conditions of Men," special mention should be made of the careful investigation of the law of juristic persons. Injustice is done to Gierke in describing his theory as "anthropomorphic," for it proceeds from the assumption that, even in early times, human associations as well as human beings were the subjects or holders of rights. Of great interest are the remarks regarding the use of the word *corona*, and regarding the personification of the crown and the more abstract view of the kingship that date from the thirteenth century. The basis of the authors' argument would of course disappear if it were true that as early as the time of Æthelbirht the sum of fifty shillings was to be paid to the "crown" in case of homicide. In the passage in question (Æthelbirht, 6) *drihtinbéage* is in fact translated by Reinhold Schmid "ruler's crown" (*Herrscherkrone*). *Béag*, however, should not here be translated "crown." Kentish royalty knew neither crown nor coronation: *béag* is to be understood in this passage, like the Norse *baugr*, as referring to the due that makes part of the *wergeld;* and *drihtinbéage*, as Konrad Maurer has already remarked, is to be translated "lord's ring" (*Herrenring*).

The chapter entitled "Jurisdiction and the Communities of the Land" reaches over, in part, into the field of public law and treats of the position of the counties, hundreds, vills and townships, of seignorial jurisdiction, manor and borough. Special pains are devoted to answering the question whether, and to what extent, corporate property or legal community existed in these associations.

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In discussing the concepts of manor and borough, the procedure of the authors seems to me a little too skeptical.

The second volume of the work begins with the chapter "Ownership and Possession." It contains the substance of the legal rules which we Germans are in the habit of grouping together as "law of things" (*Sachenrecht*), and it is one of the most brilliant parts of *The History of English Law*. The requirement of real delivery in the conveyance of real estate, and the abolition of symbolic modes of conveyance are shown to be the permanent result of the transient influence which the study of Roman law exerted upon English legal development. To the same influence is ascribed the origin of the rule that refuses to the termor the *assisa novae dissaisinae*. Henry II's system of possessory actions prevented any such distinction as arose in the German legal development between seizin (*gewere*) according to territorial law (*Landrecht*) and according to feudal law (*Lehnrecht*). The free alienation of land was attained in England at a relatively early period, because it was favored by the *curia regis*. Unreserved praise is due to the discussion of the bases of the protection of possession. It is one of the best contributions that has come from the legal-historic side to the literature of the subject, and it shows that the one-sided possessory theories are as inadequate to explain the historical development as are the equally one-sided penal-law theories — a lesson which should be taken to heart elsewhere than in England. The question whether the relativity of property right is of primitive origin is raised (vol. ii, p. 77), but is left unanswered. I would unhesitatingly answer it in the affirmative. The *ius maius* in the *Breve de recto*, from which is derived the English *ius merum* (*dreyt dreyt*), has a prototype in the Frankish law, which in controversies touching land or freedom calls for proof of the better right of him to whom the proof is assigned.

The remark of Bracton (fol. 53) :

> Aliud est dare ecclesiam et aliud dare advocationem. Laici tamen secundum communem usum propter eorum simplicitatem dant ecclesias, quod nihil aliud est dicere quam praesentare,

which is cited on page 135 of the second volume, gives a valuable indication touching the origin of advowsons. As has been shown by the investigations of Ulrich Stutz,[1] the right of patronage or advowson is nothing but a remnant of the former Germanic ownership of the private church. The laity in England, as we see from

[1] Die Eigenkirche als Element des mittelalterlich-germanischen Kirchenrechts (1895), p. 25. Geschichte des kirchlichen Benefizialwesens (1895), vol. i.

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Bracton, were holding fast to the original point of view even after the papacy had carried to a successful issue its struggle against private ownership of churches.

The history of the law of pledge or "gage" is set forth briefly but not very clearly. In this matter the authors do not go back of Domesday Book. The discussion of the forms of the gage of land starts with Glanvill. In treating of this matter it would have been especially worth while to reach back into the Anglo-Saxon period; for Anglo-Saxon documents give us, on the one hand, examples of gage with right of use on the part of the gagee (*Nutzungspfand*), including both the German *Todsatzung*[1] (the Norman *vifgage*) and the German *Zinssatzung*[1] (Glanvill's *vadium mortuum*), and, on the other hand, prototypes of the classical English mortgage, particularly a gage in the form of a conditional conveyance, which in the Anglo-Saxon period could take place by means of delivery of the land-book. In addition to the citations given in my *Rechtsgeschichte der römischen und germanischen Urkunde* (vol. i, pp. 195 *et seq.*), we have recently obtained a new bit of evidence, an indorsement of 1018 in Napier and Stevenson, *The Crawford Collection of Early Charters and Documents* (*Anecdota Oxoniensia*, 1895, p. 9): "Ic gesealde hym ane gyrde landes to underwedde." In this instance the creditor obtained the position of a tenant for life. Gage in the form of conveyance under condition subsequent was certainly already in existence — or, to speak more precisely, *still* in existence — in the time of Glanvill. He, however, had no occasion to discuss it, because the transaction wore the legal form of a feoffment under condition subsequent, and it was only from the economic point of view that it served to secure a debt. What Glanvill does discuss at some length is the older gage (*Satzung*) of the German law, which became impracticable in England and had no future there, because the gagee did not have the possessory action. Again, that form of gage which the authors designate as the "Bractonian gage for years" was not altogether a new creation of the period after Glanvill; it had its prototype in the conveyance under condition precedent which we find employed for the purpose of pledge as early as the Frankish period.

In the chapter on contracts, the authors inquire (vol. ii, p. 211, note 2) how the popular custom is to be explained that knives or other weapons or weapon-like things were not given, *i.e.* donated, but that the gift was cloaked in the form of a sale. In German Austria,

[1 In the so-called *Zinssatzung* (as in the Roman *antichresis*) the gagee treated the yield or profit as interest on the money due him. In the *Todsatzung* the yield or profit was deducted, as it accrued, from the principal of the debt. — EDS.]

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and probably in other places, the superstition exists that such a gift will produce discord between the donor and the donee. Such things, if given, cut love in two, sever friendship.[1] The idea which underlies the *Launegild* will not serve alone to explain the superstition; for other things, not sharp or dangerous, may be given. Is it not possible that some influence has been exercised by the idea that if the donee should hurt himself with the weapon he might hold the donor responsible as the *causa remota* of his injury?

Chapter VI, "Inheritance," suggests a series of interesting problems. The authors proceed on the assumption that Anglo-Saxon law did not demand, for alienation of realty, the consent of the heirs. They concede, however (vol. ii, p. 251), that folk-land — which term signifies to them, as to Vinogradoff, land held by folk-law — was not as easily alienated as book-land. Considering the fact that the right of the heirs to object (*Widerspruchsrecht*) was developed in full intensity among the old Saxons, it is *a priori* an improbability that the Anglo-Saxons started with unlimited freedom of alienation. The evidence afforded by the Anglo-Saxon sources is apparently conflicting. Side by side with transfers of land which took place without regard to the nearest heirs, alienations are attested in which children, parents or other relatives coöperated. There are also cases in which transfers made without the consent of the heirs were successfully attacked *hereditaria proclamatione*. Leaving out of consideration the special limitations that might be imposed in the case of book-land by the will of the donor, I believe that the solution of the apparent contradiction is to be found in the distinction between hereditary land and acquests. According to *Leges Henrici* (c. 70, 21 and c. 88, 14), it was permissible freely to alienate purchased land and other acquired land, but not hereditary property (*hereditatem*). The Norman law knew no such distinction. It permitted one to give (*dare in elemosynam vel pro servitio suo*) the third part of his real estate. One could sell it all, but the heirs had a *droit de retrait*. The distinction in the *Leges Henrici*, therefore, could be derived only from the Anglo-Saxon law. In Glanvill, who treats acquired land as completely free if its owner has hereditary land also, we seem to have a mixture of Norman and Anglo-Saxon customs; in the passage of Bracton in which he undertakes to distinguish, as regards *burgagium*, between inherited and acquired property and to put the latter on the same

[1 The same custom, giving a penny when one receives a gift of a knife or pair of scissors, exists in many parts of the United States, and the reason assigned is the same. — EDS.]

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footing as movable property, there appears to be a reminiscence of Anglo-Saxon law.

Among the grounds given to explain ultimogeniture (sometimes known as "borough English"), I miss the economic reason, which is decisive in the case of peasant holdings. If the oldest son receives the estate, he marries at once and begets children at a time when his younger brothers and sisters are not yet independent, but must be supported on the homestead. In most cases the estate cannot bear this economic burden: only the larger homesteads are equal to it. If the youngest son takes the land, then by the time that a new generation is growing up on the homestead, the elder brothers and sisters of the heir have reached an age at which they can look out for their own maintenance.

Admirably luminous is the explanation of the peculiar development by which, in England, the inheritance of movable property was taken out of the secular law and placed under the influence of the church. For the division of the personal estate into three parts, "wife's part, bairns' part, dead's part," the authors reject the theory of a Norman origin. This, I think, is a mistake, but I cannot attempt to prove the point here: I reserve this problem for a detailed investigation. For the present it may be sufficient to refer to chapter 207 of the *Très Ancienne Coutume de Bretagne* (in the recent edition of Planiol), where this triple division quite distinctly appears[1] as law of the burgesses and of the *gens de basse condition.*

The history of family law, in which it is made particularly clear that the English law of matrimonial property was constructed to fit the conditions of the upper and wealthy class, I must pass over here, but not without expressing my sincere appreciation. As regards some special points, for example, the courtesy of England and the *uxores Danicae*, I have already set forth my opinion elsewhere.[2]

The careful treatment of "Crime and Tort" (ch. viii) and "Procedure" (ch. ix) offers the attentive reader keen enjoyment. I take special pleasure in observing that in these chapters the authors have frequently expressed their agreement with the views which I had set forth in earlier writings. By way of showing my gratitude, I must make known an unintentional misdeed which I committed in my essay on the *Unintentional Misdeed.*[3] I cited there a law of Roger of Sicily, and

[1] "Le tierz au mort, l'autre tierz à l'homme ou à la femme qui demoure, et l'autre tierz es enffanz d'iceulx deux."

[2] *Zeitschrift der Savigny-Stiftung*, XVI, 97; XVII, 19.

[3] *Über absichtslose Missethat im altdeutschen Strafrechte.*

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the authors have taken the citation from me (vol. ii, p. 480). In Merkel, *Commentatio qua Iuris Siculi sive Assisiarum Regum Regni Siciliae Fragmenta proponuntur*, the passage reads precisely as I cited it:

> Qui de alto se ipsum precipitat et hominem occiderit et ramum incautus prohiciens non proclamaverit seu lapidem ad aliud iecit hominemque occidit, capitali sententia feriatur.

The passage corresponds with our knowledge derived from other sources regarding the treatment of unintended misdeeds in Germanic criminal law; but as I have subsequently discovered from Brandileone, *Il Diritto Romano nelle Legge Normanne del Regno di Sicilia* (1884), p. 117, Merkel, in copying the manuscript which he printed, made an incomprehensible mistake. After the word "occidit" the codex, in practical agreement with its model, Dig. 48, 8, 7, contains the words: "huic pene *non* succumbit." Then follows a passage concerning poisoning, which ends, "capitali sententia feriatur." Merkel completely overlooked the passage about poisoning and substituted its final clause, "capitali sententia feriatur," for "huic pene non succumbit" after the word "occidit." That is a blunder which one would not expect on the part of a man like Merkel, whose labors on the *Monumenta Germaniae Historica* had given him the deserved reputation of an accurate editor. But "quandoque dormit Homerus." Merkel seems to have had a very unlucky day when he was collating, in Rome, the Codex Vaticanus, f. lat. no. 8782. The passage from Roger of Sicily is therefore in future to be omitted from the evidences of the doctrine of the unintentional misdeed; or, at the utmost, its insertion in the Sicilian statute may be taken as evidence that among the Normans of the period the ancient Germanic view of the unintentional misdeed had not wholly disappeared.

But my review has already grown too long. When, thirty years ago, I began to occupy myself with the history of the English law, I often felt as if German and English legal history were separated by an impassable mountain range. Since that time the ceaseless labor of science has driven a tunnel through the heart of the mountains. In the successful excavation of this tunnel and in the work of making it traversable Pollock and Maitland have played a prominent part.

BERLIN, June 21, 1896. HEINRICH BRUNNER.

[That Professor Brunner may not be held responsible for any errors that may have crept into this English version of his review, it should be stated that time did not permit the sending of proof to him. — The greater portion of this review, with some additional material, will shortly appear in the *Zeitschrift der Savigny-Stiftung für Rechtsgeschichte*. — EDS.]

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REVIEWS.

An Examination of the Nature of the State: A Study in Political Philosophy. By WESTEL WOODBURY WILLOUGHBY, Ph. D. New York and London, Macmillan & Co., 1896.—xii, 448 pp.

This work embodies the lectures given by Dr. Willoughby at Leland Stanford, Jr. and at Johns Hopkins. It is an honor to American scholarship. It reveals in its author an admirable comprehension of the essential problems of political philosophy, a thorough acquaintance with the solutions already proposed and an intellectual equipment that is entirely adequate to the origination and maintenance of new solutions.

The scope of Dr. Willoughby's present work is very well defined in his own words: "The general postulates of political science, and incidentally . . . the history of political theories." In this field his general position on all the leading topics is that which seems to the reviewer most consonant with a sound interpretation of objective history and most fruitful in the development of philosophical truth. His care to discriminate between state and government, his rejection of the dogmas of natural law and the social contract, his criticism of the conception of the state as an organism and his whole theory of sovereignty illustrate what has just been said. It would not be inaccurate to describe Dr. Willoughby's doctrine as a modified Austinism. His premises are clearly those of the analytical jurists; but his conclusions show the strong influence of the profounder analysis effected by Burgess, Dicey, T. H. Green and Ritchie.

A selection of the most striking among the many instances of effective argumentation which the book affords would include the following: the overthrow of the contract theory by the denial of its fundamental assumption and the contention that "*freedom* exists only because there is *restraint*" (pp. 109, 110); the demonstration that the origin of the state is to be found in the sentiment of a people, and not in the formulation of a written constitution (pp. 130, 131); the solution of the vexed question as to the relation of custom and judge-made law to positive law by the affirmation that "judicial legislation is *ex post facto* legislation," though not attended with the injustice of *ex post facto* statutes (pp. 175, 176); the proof of the futility of prohibitions to amend a constitution (pp. 218, 219); and the very close

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and exact reasoning by which the conclusion is reached that "it is not the amount of change, but the manner in which such change is effected, that determines whether or not a new body politic is created" (pp. 230, 231). Of great clearness also is Dr. Willoughby's analysis of "The Composite State." He justly declares that the term federal state properly designates merely "a state in which a very considerable degree of administrative autonomy is given to the several districts into which the state's territory is divided." He contributes much to the economy of brain matter and ink by a frank and rational *non possumus* in respect to the precise historical determination of the moment of a state's creation (p. 273). Finally, he ends a careful discussion of the three classic forms of government with the useful conclusion that the terms monarchy, aristocracy and democracy have value not so much in describing governmental organization as in pointing to various degrees in which political consciousness is diffused (p. 366).

If, by the side of the points of excellence in which the book abounds, one should search critically for defects, little of consequence would reward the effort. Exception might be taken to some statements on the historical side of political theory. There is the reflection of a very widespread error in the remark (p. 46) that "as the See of Rome increased in power and importance it began to claim powers other than those embraced in this principle [independence of, and superiority to, the state in spiritual affairs]." In strict accuracy the attitude of the Papacy should be described as that of seeking, by liberal construction of the term "spiritual affairs," to include under the term an ever-wider range of subjects. The church did not claim secular powers as such. Again, it is quite too strong to say that the idea of contract as a basis for the state was "*prominent* in the contests over investitures" (p. 57); and it is a flat error to attribute to Bodin the idea that absolute monarchy is the only possible form of state (p. 371). The relations between Nicaragua and the Musquito Indians, and between Holland and Luxemburg, have ceased, probably since the chapter was written, to be available for the use to which they are put (pp. 235, 238). In some of his many references to Hobbes, Dr. Willoughby seems to miss the point of that doughty philosopher's thought. Thus, Hobbes's natural rights in the state of nature are said to be founded on "morality and utility" (p. 64); while, in fact, "morality" has no relation, save that of perfect antithesis, to his natural rights. Again, the logical justification of Hobbes's "natural law" that covenants be performed is denied

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(p. 107), although in the very next paragraph reference is made to the key to such justification, namely, Hobbes's conception of reason as merely a somewhat superior form of natural instinct — a better instrument for the satisfaction of desires. And the ascription to Hobbes of the idea that "no natural law . . . can persist after the origin of political society" (p. 392) is so flatly in contradiction of Hobbes's own words, quoted by Dr. Willoughby on pages 69 and 70, as to be quite inexplicable.

As intimated above, some of Dr. Willoughby's best work appears in connection with one of the most fundamental doctrines of the volume, namely, the distinction between state and government. This distinction is rightly declared to be of the utmost importance, and is carefully elaborated. The state is the politically conscious "people," in its most abstract conception; the government is the aggregate of organs through which the will of the state is expressed. The government has no will of its own: it is a mechanism, while the state is self-conscious, volitional and organic. The state, in fact, "exists only as a supreme, controlling will, and its life is only displayed in the declaration of binding commands" (p. 302). This is intelligible, even if it does make of the state a pretty vague and intangible entity. But we learn that the state is organized only in the government. Under government, however, the author includes constitution-making and constitution-amending bodies, as well as the ordinary legislative, executive and judicial organs. All acts, therefore, which fall within the purview of political science are acts of the state through the instrumentality of the government. Only through the government is the state known; without government there is no state. And the sovereignty, which is the essential characteristic of the state, is in the government, as thus widely conceived. This analysis discards alike the doctrine of Burgess, who seeks to give the state, as distinct from the government, an abode in the constitution-making power, and that of Dicey, Ritchie and others, who find in the various organs through which public opinion is expressed a depository of "political sovereignty," which is distinct from the "legal sovereignty."

Dr. Willoughby's system has, beyond doubt, certain advantages over the others. But one very distinct disadvantage, from the practical point of view, is the danger that lies in the doctrine that the government is sovereign. Despite his dictum to the contrary, a government has a will. Like any other aggregate of individuals in which there is basis for a "consciousness of kind," to use Professor Giddings's apt phrase, the government evolves a corporate personality of its own,

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which is likely to come in conflict with the greater personality of the state. Such conflict, whether merely logical or of a more practical kind, may be avoided by assigning to the state a definite existence apart from the government. Another disadvantage of Dr. Willoughby's system, interesting but perhaps not so important, lies in the fact that in its demonstration the political philosopher commits scientific suicide. The study of governmental organization already belongs to constitutional law. The system we are considering proposes to throw over to sociology, already waiting to receive it, the study of public opinion and the other political forces that lie outside of governmental organization. What is to be left for political philosophy?

WM. A. DUNNING.

Introduction to Political Science. By J. R. SEELEY. New York and London, Macmillan & Co., 1896. — xi, 387 pp.

Under the above title are posthumously published two courses of lectures, which, contrary to Professor Seeley's wont, had been reduced to full written statement. The discursive style indicates the conversational method of instruction usually employed by their author; but this, though at times leading to prolixity, does not prevent the presentation of a very considerable body of interesting and valuable observations within the limited compass of the book. The introductory lecture, which is devoted to a statement of the necessary relationship between history and political science, both explains the purpose and suggests the chief value of the work. The one is the statement of a method; and the other, its fruitful application in the subsequent lectures. The method consists of the use of the inductive material afforded by history in the interpretation of political facts; and the specific application of this method is to the solution of that vexed question — the classification of states. Of the various characteristics which may form the basis of such classification, we shall be able to dwell only upon one — namely, the possession or non-possession of a "government-making" organ — which Professor Seeley has very happily selected and fruitfully applied.

All governments depending, as Hume says, on opinions rather than force, the government-making power in every state rests on that "group of persons, small or large, foreign or native, disinterested or selfish, upon whose support the government depends." Such a group necessarily exists in every state, but whether or not it possesses a definite organ through which its will may habitually and

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regularly act, depends upon special conditions. In a presidential government or elective monarchy, such an organ is to be found in the suffrage and at the polls. In an absolute government, on the other hand, such an organ of volition being wanting, revolution or assassination is the only recourse when the power on which a government has been previously depending becomes unwilling longer to support it. Thus, the significant fact in the constitutional development of England, says Professor Seeley, has been the growth of a supreme parliamentary body which, if not in name, is in fact an organ through which governments are being continually made and unmade. The English do not have revolutions, because they have reduced revolution to a system and given it a legal form. They are having revolutions all the time, and therefore, in a certain sense, never have one.

Probably the most interesting chapter in the book is that in which the author seeks to show that this government-making work is now Parliament's chief function, and is not a duty incidental to the discharge of its assumed supreme office of legislation. Thirty years ago Bagehot showed how different in his day was the practice of Parliament from its theory as stated by Blackstone. But now it is probably as necessary to distinguish the actual functions of Parliament from those so clearly stated by Bagehot, as it was then necessary to distinguish them from those of Blackstone's statement. We are apt to think of Parliament, or at least its lower house, as primarily and predominantly a legislative body; and of the ministry as a set of executive officials whose chief duty it is to carry into execution the measures laid down by the larger body of which they are incidentally members. Such is far from the truth. As a matter of sober fact, the ministry, as such, possesses almost all, if not all, the effective power of legislation. Nominally, of course, no bill can become an act save by the will of the majority of the House; but a consideration of the conditions under which that will is expressed, makes evident the fact that such a power of determination is of value in name only. In all important bills the House, it is true, is granted a certain freedom in dealing with minor details; but it must take the essential parts of the bill, or be prepared to dismiss the ministry and install the opposite party in office. This latter alternative the experience of the last twenty years shows it will not adopt. As recently stated by another critic, Mr. Sidney Low: "In practice we may take it that whatever the theory of the constitution may be, a ministry once put into office by the vote of the electorate can count on the votes of the whole body of its supporters for any

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legislative project whatsoever, until it chooses, or is compelled, to dissolve Parliament." In other words, votes are not turned in Parliament, experience showing that in these days a ministry is defeated or compelled to dissolve, not by defections from its own party, but by the adverse results of by-elections: governments are defeated in the constituencies, but no longer in the House.

If this be true, — and the facts seem so to indicate, — then even that modicum of power ascribed by Professor Seeley to the House of Commons as a whole, is not properly so placed. The real government-making power is in the electorate, or, more strictly still, in the caucus, using the term caucus in its English sense. No points are at the present day being more commented upon by critics of English politics, than the extent to which the caucus is increasing its influence; and the strictness with which members are being bound, when elected, to vote for particular ministries, and thus made to serve rather as delegates of the electorate than as representatives. What effect the present tendency of the House to separate into a dozen or more smaller political parties will have in this connection, by rendering the ministry's maintenance of a majority more difficult, remains to be seen. Without dwelling longer upon this point, however, one cannot but speculate as to what effects may be expected to follow from this enhancement of the powers of the cabinet as compared with those of the whole House; and from the former's increased dependence in turn upon the wishes of the electorates, when taken in connection with the broadened rights of suffrage, whereby the more ignorant and less orderly minded members of the populace are furnished with the ballot. If we are to admit that there is any validity in the views put forward in the just-published work of the historian Lecky, the English political horizon is not entirely without threatening clouds.

Returning now more directly to Professor Seeley's book, it is subject to almost no criticism other than has been indicated. To be sure, he has not provided a classification of states that is scientifically exact — one that permits a hard and fast line to be drawn between his various categories; nor are those categories in their sum exhaustive. But it was scarcely the purpose of the book to do this. An excellent method has been admirably applied; and essential characteristics of state life have been seized upon whereby different polities may be distinguished, not only as to their governmental organizations, but as to the principles upon which they are based and the motives by which they are actuated. The relativity of political principles — that

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is, their dependence upon given objective and subjective conditions —is well shown. Especially is this illustrated in the treatment of autocracy and religious toleration. Particular mention should also be made of the last four lectures of Course I, in which the concept of political liberty is analyzed in a thoroughly philosophical manner, and the idea in its correct meaning is applied to concrete conditions in a way that cannot but afford sound practical information.

WASHINGTON, D.C. W. W. WILLOUGHBY.

Proportional Representation. By JOHN R. COMMONS, Professor of Sociology in Syracuse University. New York, Thomas Y. Crowell & Co., 1896. — 298 pp.

Among the remedies most ardently advocated of late years for misgovernment, and particularly for municipal misgovernment, is proportional representation. This seems to be the form which has been given to the movement for minority representation that had so much force twenty-five years ago. It is very opportune, therefore, that the subject has been treated in the new form which it has assumed. As Professor Commons points out, our present ideas of representation are moulded by the facts of a political life which has now very largely ceased. Originally it was regarded as essential to secure the representation of neighborhoods; but now that these have become less distinctive, the need of neighborhood representation has almost vanished. Neighborhood feeling has died out almost completely in municipalities except in those of great size; and while not extinct in the states, it is by no means so strong as formerly, nor is it confined by so narrow circumscriptions. Almost all districts having thus become more homogeneous, from the point of view of the opinions which are based on peculiar local conditions, it is apparently necessary to find some basis of representation other than neighborhood or locality. This basis is found by the advocates of proportional representation in social opinions. The argument that representation based on this idea will lead to the formation of social parties is answered by the statement that proportional representation would not be responsible for the existence of these opinions, but would merely recognize what already exists, and would thereby subserve the purposes of justice.

Professor Commons devotes much of his book to showing the unfairness of both general-ticket and district-ticket representation, which from the point of view of representation in many cases have the same result; and he cites in illustration the New York city

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election of 1892, where one party with a vote of 166,693 obtained all the seats in the common council, while another party with 99,643 obtained none (p. 71). Under the proposed system of representation he shows that both parties would be equitably represented, though the practical illustration which he gives embodies the startling mathematical achievement of dividing thirty members so that three parties should have respectively nineteen, twelve, and one. He also advances many arguments to prove that it would bring much better men into our legislative assemblies. It is not the purpose of this review to answer or even to consider these arguments, but it may be noticed that twenty-five years ago very much the same arguments were advanced in favor of minority representation, which is now almost universally admitted to have failed.

The concrete method of proportional representation proposed by Professor Commons, which is said to have been adopted by the American Proportional Representation League, is, however, subject to criticism. This plan is known to the initiated as that of "forced fractions." The method followed is to divide the total number of votes cast by the number of seats to be filled, which will give what is called the "electoral quota." Each party then receives seats equal in number to the times its total number of votes contains this "electoral quota." If there are any remainders after the division and the seats are not all filled, the remaining seats are awarded to the parties having the largest remainders. Provision is made for allowing the voters to "bolt" the party ticket, provided they vote for some one of the official candidates; and for indicating their preferences for particular candidates on their party tickets.

This plan of distributing the seats to be filled, that is, the system of "forced fractions" or remainders, was adopted in the Swiss Canton of Ticino in 1890, but was abandoned in 1891, on account of the fact, as reported by the Neuchatel Commission of 1891, that minority parties subdivided themselves so cunningly that they were able to get more than their share of the seats to be filled. This system of distribution is not, as stated by Professor Commons, the system adopted in Neuchatel. That system (Law of 28 October, 1891, Art. 62) provides that in case there are seats to be filled after applying the electoral quota to the vote of each party, such seats shall be awarded to the party or parties casting the largest vote. The recent experience of New York in the use of the latest ballot law seems to indicate that the subdivision of parties might easily occur here as it did actually occur in Ticino.

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Finally, the plan proposed by Professor Commons is open to constitutional objections, although these could, of course, be removed by constitutional amendment. The plan seems to presuppose that the voting shall be confined to the official candidates, as is at present the case in England. All framers of ballot laws have, however, been exceedingly careful not to insist on this requirement, believing it to be unconstitutional. (See Bowers *vs.* Smith, 111 Mo. 45.)

Such are some of the objections which may be advanced to the concrete plan of representation advocated by Professor Commons. Further, it may be said that his book as a whole is destructive rather than constructive. More space is devoted to showing the injustice of our present system — a large part of which would probably remain under any plan of representation that might be devised — than to proving the advantages of proportional representation. The argument that proportional representation would result in the election of better men is, moreover, based on hope rather than experience, for the experience of the countries which have adopted the system does not show that the election of better men has followed. The real reason why it has been adopted in some places is to be found in the fact that representation by general ticket, which was more or less the rule before the adoption of the system of proportional representation, had resulted in giving control to the minority rather than to the majority. It is to this fact rather than to dissatisfaction with a properly arranged district system of representation that the success of the movement for proportional representation, so far as it has been successful, is due. Finally, it is strange that a book which is evidently intended to be an exhaustive criticism of the various plans of representation, and which in other respects carries out this intention so well, should make no mention of the Bernitz method of counting votes, under the plan of cumulative voting upon which so much stress is laid by Mr. Forney in his excellent little book on the representation of minorities. This is all the more remarkable, since a perusal of Professor Commons's book shows that he is familiar with the work that Mr. Forney has done. F. J. GOODNOW.

Les Assemblées Provinciales de la Gaule Romaine. Par ERNEST CARETTE, Docteur en Droit, Avocat à la Cour de Paris. Paris, Alphonse Picard & Fils, 1895. — 503 pp.

M. Carette has treated an interesting theme with German minuteness of research and German prolixity of statement. The Celtic assemblies of the period preceding the Roman conquest and

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the assemblies held under Cæsar's auspices are briefly described, chiefly to show that no connection existed between these gatherings and the provincial *concilia* of the Empire, which form the subject of this treatise. Starting as annual meetings of the new state-church for the worship of Rome and Augustus, the provincial councils became of increasing political importance. Composed of delegates from the various *municipia*, they were the natural organs for the expression of provincial sentiment, and they gave the central government a valuable means of controlling the provincial governors. The councils were encouraged to send embassies (*legationes*) to Rome for the presentation of their desires and grievances, and for the accusation of dishonest governors. Mommsen's belief that they distributed the imperial taxes is not shared by M. Carette: he holds that their financial business consisted simply in auditing the accounts of their own sacro-political treasury, and in making appropriations for the maintenance of the cult of Augustus, for the erection of monuments, for the traveling expenses of delegates, *etc.* The presidency of the council was vested in the *sacerdos* or *flamen* of Augustus. His position was one of great dignity, and of no slight expense, since he was expected to defray the costs of the annual games celebrated in connection with the meetings of the council. His term of office was for a year, and after its expiration he was, as *sacerdotalis*, a life member of the council.

From the early part of the third to the early part of the fifth century we hear nothing of these councils. The author does not believe that they ceased to exist, and he gives ingenious reasons for the lack of any information regarding them. When they come into view again, they are purely political bodies. With the recognition of Christianity, the *sacerdos provinciae* first loses his sacerdotal functions and then disappears. The councils of the later Empire, as M. Carette believes, elected their presiding officers. The provincial councils had decreased in importance, because the provinces were much smaller; and there were now councils of groups of provinces. At Arles there was a council of the diocese. In the fifth century as in the second, these assemblies expressed desires and formulated complaints; and they sent *legati* to the Emperor to prosecute corrupt officials. The composition, however, of these bodies had changed: in addition to the leading citizens (*principales*) of the municipalities, the *honorati* — the members of that aristocracy which held most of the land and all of the imperial offices — had seats and voices in the councils of dioceses and provinces.

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After the conquest of Gaul by the barbarians, the Roman councils disappeared. The last recorded gathering of the Gallo-Romans was an assembly of spiritual and temporal magnates which approved the *lex Romana Visigothorum*. The traditional composition of the Roman councils, the author thinks, may have exercised some influence upon the composition of the provincial estates of the middle ages; but the real successors of those councils were the councils of the Gallican church. The ecclesiastical councils, as he shows, preserved many traces of the old provincial assemblies; and he cites with approval the remark of M. Fustel de Coulanges: "The Christian church bore within herself a copy of the Imperial institutions and a portion of the Imperial spirit. Through the church the political traditions and the administrative habits of the Empire passed to succeeding generations."

M. Carette's book gives much collateral information regarding the political and social condition of Gaul during the different periods of the Empire, especially during the transition from heathenism to Christianity at the beginning of the fourth century and during the following century and a half of decadence. The stratification of Roman society, its separation into hereditary castes, is clearly indicated. Throughout the work the author has consulted the original sources, including the inscriptions, with great care, and his references to the French literature are very full. The foreign literature is but sparingly cited: the opinions of German scholars are frequently taken at second hand from French writers. M. Carette's use of epigraphic material is sometimes rather bold; for example, a statement that the vote in council authorizing the erection of a statue was probably taken by secret ballot, is largely based upon a conjectural "*per tabellas*" in the plaque of Narbonne — a restoration in which everything except the two last letters is hypothetical (p. 148). The description of Odoacer as "*roi des Lombards*" (p. 476) is an inexplicable slip in so erudite a writer.

By way of supplement the author gives the names of all persons known to have belonged to the provincial assemblies of Roman Gaul; a partial bibliography of the general subject of the councils; a heliogravure of the plaque of Narbonne, discovered in 1888, with its bibliography; and the famous edict of Honorius (A.D. 418) organizing the assembly of the seven provinces of southern Gaul, with its bibliography. The entire work is carefully indexed.

It is surprising that such a work as this can be put on the market at such a low price, namely, six francs.

MUNROE SMITH.

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The Union of England and Scotland. By JAMES MACKINNON, Ph. D. London and New York, Longmans, Green & Co., 1896. — 524 pp.

This excellent volume is a result of the recent discussion over the question of Scottish home rule. The attitude of the author is one of sympathy toward the movement, though he is in no sense a partisan. He has produced a history of the struggle which preceded the legislative union of 1707 and of the efforts to overthrow that act, which is eminently fair and judicial in tone. The view taken is substantially the same as that expounded by Burton in the eighth volume of his *History of Scotland*, though the treatment is more detailed, and is apparently based on a more exhaustive study of the original sources.

As is shown in this volume, the causes which made the union a necessity for Scotland were economic. "Under the regal union Scotland occupied the position of the junior partner, whose interests were slighted by a more opulent and powerful colleague." At th close of the seventeenth century her trade had decayed, agriculture was suffering and the people were wretchedly poor. That for this condition of things the Scots were to a large extent responsible, the author freely admits. But the suffering and decay had been intensified by a century of misgovernment which had passed since the union of the crowns. During that time and before, the energies of the nation had been, to a considerable extent, wasted on religious and factional conflicts. Its first independent attempt to restore prosperity, the Darien scheme, ended in a disaster, for which, again the author confesses, "the Scots were themselves largely to blame." This affair further impoverished the nation and greatly increased its animosity toward England. All that was fiercest in the spirit of Scotch national independence now asserted itself, when England at the beginning of Anne's reign, in order to secure a recognition of the prospective change in the succession, took the first conciliatory steps toward union. The violent debates over the Act of Security, and the intrigues with France which followed the refusal of the commissioner to give the queen's assent to the act, revealed to England the necessity of extending some recognition to Scottish demands for commercial equality. The necessity for this became clearer when the Parliament at Edinburgh refused a vote of supplies till the Act of Security was accepted. Then, though under the threat of an alien act, England again attempted conciliation; and by the joint commission of 1706 the compromises which made union possible were agreed upon. The doings of this commission, so far as known, the prolonged

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struggle in the Scotch Parliament which preceded the passage of the Act of Union, the pamphlet controversy which was carried on during and after this event, Mr. Mackinnon has fully and impartially described. The charge made by Lockhart, that the measure was carried by bribery, he again disproves. It was carried by the votes of a compact body of about twenty-five members in the Scotch Parliament, known as the "new party," or *squadrone volante*, who had become convinced that union offered the only way of escape from the prospect of French invasion and from the continuance of unpleasant relations with England. Their votes gave the government party a majority over the country party, as the defenders of Scotch national sovereignty were called.

Not the least suggestive chapter of this book is that in which the relation between the union and the progress of Scotland during the eighteenth century is discussed. The author dissents from the view which would establish a direct causal relation between the two, pointing out that not till a generation after the union did the condition of Scotland begin to improve, and a feeling of sympathy begin to develop between the peoples of the two nations. Then, that is, after the rebellion of 1745, came the period of inventions and of industrial progress, in the benefits of which Scotland would undoubtedly have shared had she been independent or remained under the old system. To the union, in the opinion of the author, belongs

> merit of placing the two countries in a relation of legislative harmony [illegible]mmercial interest well fitted to foster a great history. . . . The [illegible]ue of this relation to Scotland only the ignorant or prejudiced will deny; its worth to England, let the fact that the British Empire has risen since the union, as the fruit of the united energy of both peoples, sufficiently emphasize.

In the concluding chapter the claims of nationality *versus* union are summed up, and the book closes with a characteristic protest against the use of the word England when Great Britain is meant.

H. L. Osgood.

The Life of Thomas Hutchinson, Royal Governor of the Province of Massachusetts Bay. By James K. Hosmer. Boston and New York, Houghton, Mifflin & Co., 1896.—xxviii, 453 pp.

The *Life of Samuel Adams*, by Dr. Hosmer, seemed to have been inspired by admiration of its hero and devotion to the principles he represented. Developed under such stimulating conditions the work

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proved worthy of its subject; but to prove such it was, like Adam himself, intensely partisan. It was a justification as well as a history and as such it engaged from the beginning the enthusiasm and the sympathy of the biographer. This circumstance is thrown into especia prominence when the same author presents an account of the life and times of Adams's chief antagonist, Thomas Hutchinson. The execution of such a work is necessarily prompted, as the writer justly intimates, by a proper realization of the part played by the various leaders in the period under consideration; yet it is not wholly felici tous that the effort should be made by one who considers himself engaged in historical "rescue work."

The years covered by the public life of Thomas Hutchinson were marked by many interesting developments, were crowded with events of vital importance and were enlivened by the vigorous discussion of many questions of deep significance. Of none of these, however, does the work in hand show strong or exhaustive treatment. To be sure, Hutchinson's insistence upon the use of "hard" money gives opportunity for passing praise; but the treatment of the subsequent and more important crises of his life affords little that is new. It is unfortunate that Dr. Hosmer did not embrace the opportunity for a clear and conclusive explanation of those fundamental questions which are now so far from the comprehension of the general reader. Such a course might have modified the plan of the work, but the modification would have been justifiable. The biography, as pre- presented, is, in a very considerable degree, a series of quo- from Hutchinson's writings, which serve as the basis for a running commentary rather than as illustrations and enforcement of the biographer's own narrative. The use of original material is essential and commendable, but its interpretation should not be left, to so great an extent, to the reader. Furthermore, doubt may well be cast upon the wisdom of sacrificing sixty-six pages of the volume for the reprinting of certain addresses and speeches from "Bradford's State Papers." The general reader certainly will not devote himself to these; while for the student the earlier edition should be available in every library equipped for advanced historical study. It may properly be suggested that far more value and interest would have attached to the publication, in complete form, of the more significant or important letters of Hutchinson, which the author has used industriously, but which to very many are unavailable. Perhaps even more useful would be a calendar of Hutchinson's correspondence, with the location of the letters not in print.

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Incidentally, the present volume is a second biography of Samuel Adams; for the life of Hutchinson is not complete without that of his great antagonist. The enumeration of the governor's opponents presents as well the name of Joseph Hawley, in the minds of many as truly admirable as Samuel Adams himself, although in the present work placed rather in the class of the stricken Otis. This judgment, although safely qualified, is the more surprising, as Hutchinson himself, in his letters to Israel Williams, repeatedly bore testimony to Hawley's worth and influence — testimony which seems to have been discarded in the author's laudation of Adams.

The author could hardly have intended to speak of the explanatory charter as of 1728 (p. 7); nor in a formal history can he expect one to believe that the assembly actually "roasted" (p. 107) the governor; while facts must modify somewhat the statement that "the fading page" of the Declaration of Independence "hangs against its pillar in the library of the State Department at Washington" (p. 237). Some of Dr. Hosmer's citations seem incomplete (pp. 299, 312), while his statements as to the close connection between the Boston Committee of Correspondence and the subsequent, if not resulting, United States (p. 235), and as to the identity of the "instinct of America in the Stamp Act times" with the "Anglo-Saxon spirit" (p. 112) may not pass without challenge.

HARRY A. CUSHING.

COLUMBIA UNIVERSITY.

Q. C. Lamar: His Life, Times and Speeches. 1823–93. By EDWARD MAYES, LL.D., Ex-Chancellor of the University of Mississippi, Nashville, Tenn. Publishing House of the Methodist Episcopal Church, South, 1896. — 820 pp.

This book, with minute and often tedious detail, sets forth the eventful career of Mr. Lamar, who is pretty generally acknowledged to have been the ablest and most liberal Southern leader of recent times. His character and attainments, as reflected in numerous public utterances here collected in enduring form, recall, perhaps more forcibly than those of any other public man of the South since the war, the courtly grace of a generation now rapidly fading from American life. It was this blending of the past with the present that gave the great Mississippian so strong a hold upon the affections of his contemporaries, and at the same time taught him so thoroughly those lessons which the termination of the civil conflict enforced; and it was by imparting to others the truths so clearly

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grasped by himself that Mr. Lamar was enabled to render such important services not only to his section, but also to his country. For although his name can scarcely be said to be associated with that of any important act of positive legislation, it will always be remembered as that of a man who pleaded eloquently for a restored union under the constitution. All through the trying period of reconstruction he was the great peacemaker. More than any other man of his day he recognized the folly of repressive measures in dealing with the baffling entanglements that confronted the South and the rest of the nation when the enfranchisement of the black man followed so closely in the wake of his emancipation. The fact that the so-called torrid zone of American politics ceased to be the storm-center of party strife almost simultaneously with the withdrawal of federal troops from the lately insurrectionary states, is a silent tribute to Mr. Lamar's wisdom.

Mr. Lamar's life embodies in many respects the history of the Southern states during its most exciting period. To the task, therefore, to which he addressed himself with such remarkable success — the reconciliation of the sections — he brought not only an acute intellect, but a most varied experience. Born in Georgia in 1823, Mr. Lamar was educated at one of the smaller colleges of that state, and shortly after his graduation became a member of the bar. The tide of immigration from the seaboard Southern states, however, had already set strongly in the direction of Mississippi; and the young lawyer, with his bride, was soon swept westward. His wife's father, Judge Longstreet, the author of *Georgia Scenes*, had already preceded the couple to the West and was at the head of the institution of learning at Oxford, Mississippi, to which village Mr. Lamar removed. Half a century ago it was no uncommon thing for one man to unite in himself the functions of several callings; and the people of Mississippi saw nothing incongruous in Mr. Lamar's appointment to the post of adjunct professor of mathematics in the university about a month after his admission to the practice of law in his adopted state, and no innovation in his visits from the cloister walls to the field of public political discussion. Throughout his career Mr. Lamar could never entirely cast off the scholastic gown he donned in the little village of Oxford: it clung to him wherever he went. When the time came, however, for him to decide whether he should go to Washington to represent his state in Congress or remain in a professorial chair, he chose the former course. And although this step deprived the South, as in many a similar instance, of a man

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of letters, Mr. Lamar's subsequent career as a public man is ample justification of the step he took.

He entered politics at a time of general unrest, just before the madness of the secession movement attacked the rank and file of Southerners. Elected to the House of Representatives in 1857 on the Democratic ticket, Mr. Lamar served two terms in that body. Like most of the leading Southerners of his day, he cast in his lot with the Confederacy, with which he was closely identified, first as an officer in the army, and subsequently as confidential agent abroad of the government at Richmond until its collapse. After the war he resumed the practice of law in Mississippi, also devoting much of his time to lecturing in the state university. In 1872, when the Liberal Republican movement under Mr. Greeley appeared to offer some hope of relief to the overtaxed people of the South, Mr. Lamar was again drawn into the vortex of politics and was elected to the House of Representatives. Subsequently he reached the Senate, became Secretary of the Interior under Mr. Cleveland's first administration, and died in 1893 an Associate-Justice of the Supreme Court of the United States. All these facts are set forth in this volume with the minute particularity and discursiveness of a diary.

Few who read Professor Mayes's book will fail to appreciate the enormous amount of work expended upon it both by its author and by the publishers; but it is to be regretted that the material so carefully garnered has not been more judiciously sifted and put together. In its present form the volume is far from attractive either as literature or as a manufacturer's product. In both senses it is heavy. Brightness gleams from it only in Mr. Lamar's own speeches, and in the gilt edge that adorns the volume. This is unfortunate; for not only was Mr. Lamar a national celebrity, whose many friends throughout the country would be glad to have presented to them in a worthy form the story of his long and honorable career, but his career was intertwined with some of the most dramatic incidents of the recent past. In spite of the drawbacks just indicated, however, there are recorded in this book the traditional views entertained by many people in the South of the reconstruction measures of Congress, together with some other facts of interest to the student of contemporary events; and although written in a eulogistic vein rather than in the critical spirit that balances fact against fact in the search for truth, the book is far from being sectional. This is in accord with the position assumed by Mr. Lamar on his return to public life after the war, when, in striking contrast with the earlier period of

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his life, he devoted his intellect to the welfare of the whole country rather than to that of any part. This is particularly noticeable in his speech on the death of Mr. Sumner and in that on the silver question. Many will recall how the former, delivered in Congress at a time when the smouldering embers of civil discord were being continually fanned into life, thrilled the entire land with the sweet refrain, "My countrymen, know one another, and you will love one another." The speech on the financial question brought its author scarcely less fame; for in setting his face firmly against what he conceived to be downright repudiation, Mr. Lamar held the South to the cause of honest money. In doing so, he set at naught the "instructions" of the Mississippi legislature, whose members threatened to unseat him; but his constituents sent him back with enthusiasm.

Mr. Lamar made an admirable secretary of the interior; and in spite of many predictions to the contrary, appears to have done very well during his brief experience on the bench. Like other men who had joined the ill-starred Confederacy, he lived to see the complete disappearance of sectionalism from politics. No more striking demonstration of this fact could be given than his own appointment to membership in the highest court of the land. In the face of such inspiring acts of magnanimity the bitter feeling in the North and the South died of sheer inanition, and the country entered upon a new period of history with a fuller realization than ever before of the tremendous tasks and possibilities before it.

B. J. KAMAGE

UNIVERSITY OF THE SOUTH.

Southern Sidelights: A Picture of Social and Economic Life in the South a Generation before the War. By EDWARD INGLE, A.B. New York & Boston, T. Y. Crowell & Co., 1896. — 373 pp.

Mr. Ingle has made a valuable statistical contribution to the study of Southern history, and historians and even the general reader will thank him for the immense labor he has spent upon his book. His subtitle is, I think, something of a misnomer, for he has not put his materials together in such a way as to form a very clear picture, though he has certainly given us a storehouse of facts. His reading has been wide, but he has mainly relied on two very valuable sources of information — the *Southern Literary Messenger* and *De Bow's Review*. A larger use of representative Southern newspapers would have helped him at some points, but would have

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greatly increased his labor without perhaps proportionally increasing the value of his book.

There are nine chapters, one on the traits of the Southern people, one on cotton, one on phases of industry, one on trade and commerce, two on educational and literary matters, one on the Southern conventions, one on slavery and finally one describing the crisis that culminated in the Civil War. Every one of these chapters is filled with facts that give evidence of thorough and laborious research, and that will be invaluable to the student. Indeed, Mr. Ingle may flatter himself by believing that his book is not likely soon to be superseded as an authority on the matters of which it treats. I think he may felicitate himself, too, upon the moderate and fair tone which he has adopted in treating subjects that are still capable of arousing animosity. He must, however, expect the fate of the moderate man in failing to satisfy readers whose opinions and sympathies are very decided.

Mr. Ingle has succeeded best in the chapters dealing with economic matters. His sketch of ante-bellum Southern literature leaves some things to be desired, as does also his account of the endeavors to establish free schools. The chapter entitled "Plans for Progress," which is mainly occupied by a discussion of the various Southern commercial conventions, is hardly trenchant enough in its criticism, and fails to notice some of the earlier meetings held in Georgia and South Carolina that were not without interesting feat- The discussion of slavery as an institution is equally lacking in trenchant treatment: in other words, I think Mr. Ingle succeeds better in gathering facts than in coördinating them and drawing conclusions from them. Some of the conclusions that he does draw puzzle me considerably, as, for example, when he remarks that "the suppression of the Bank, and the scattering of deposits through the country came too late to overcome the original advantage [with regard to an accumulation of capital] acquired by the North"! Does Mr. Ingle believe that if the deposits had been scattered through the country from Washington's first administration it would greatly have affected the relative situations of North and South in this matter? But I do not wish to be captious, for I recognize fully the value of Mr. Ingle's book. Some of his conclusions are not mine, and I should often prefer a more radical treatment than he has thought fit to give; but I cannot ask for a more conscientious or painstaking piece of work.

W. P. TRENT.

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Eleventh Census: 1890. Report on Population of the United States. Part I. Washington, 1895.—4to, ccxiii, 968 pp.

This volume surpasses all previous census records of population in its elaborate technique and full presentation of results. The change is due largely to the indefatigable efforts of Mr. Wm. C. Hunt, who had charge of the population division, and who brought to the work training and experience gained in the Massachusetts enumeration of 1885. If any criticism is to be made, it is that details have sometimes been worked out without regard to their real value. An example of this is the calculation of the distribution of population according to drainage basins. It is interesting to know that 43.77% of the entire population is congregated in the basin of the Mississippi river; but it is not particularly vivifying to learn that 709 foreign-born persons live in the valley of the Pedee, and 99 colored persons in that of the Chippewa.

Methods of presentation are, however, of minor importance compared with the question of the general accuracy and trustworthiness of the census itself. Unfortunately, it must be confessed that, in public estimation, the eleventh census is somewhat under a cloud. It has cost an immense sum of money (over $11,000,000, besides printing); its publication has been unreasonably delayed (six years have elapsed and some of the most important parts are still in the hands of the printer); officials have changed, and there have been acrimonious accusations of partisan methods in the original appointment of enumerators. Nevertheless, when we consider the importance of each particular census, not only in itself, but as one of a great series of similar undertakings beginning in 1790, it is evidently the part of science to make the best of what is offered, and to try to determine how much of it can be used for scientific purposes. The material may be imperfect, yet it need not be entirely rejected. We can never have a census of 1890 again; yet we must have some sort of figures to fill that particular place. If we cannot accept the results implicitly, we must try to determine the limit of probable error.

In testing the trustworthiness of a census there are three methods. The first consists in observing the attitude of the officials. A true statistician is inclined to underestimate the value of his results rather than to defend their absolute accuracy. He, most of all men, is conscious of the inadequacy of his material even when collected with the greatest care. The "office" should be the first to point

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out the limitations imposed upon all such inquiries, and frankly to confess failure in any direction.[1] In general, the attitude of our census office in this respect is not altogether satisfactory. It takes too much the position of defending its figures against all comers, as if a most difficult and delicate scientific undertaking were the private affair of a few governmental officials. What we want to know is not whether they have done their work well or ill, but whether we can use this material for political and sociological reasoning. The interests of science are much more important than the scientific reputations of the officials.

The typical case involved here is the question whether the enumeration of 1890 was complete or deficient. It is well known that, while popular expectation placed the population of 1890 at 65,000,000, the census return showed only 62,622,250. The increase from 1870 to 1880 was 30.08%, while from 1880 to 1890 it was only 24.86%. This seemed inexplicable, especially considering the fact that immigration during the latter decade amounted to five and one-quarter millions, against two and one-half millions during the previous decade. There is one partial explanation, namely, that the census of 1870 was incomplete, so that the increase from 1870 to 1880 had been exaggerated. General Walker has acknowledged that the enumeration of the colored population in the South was imperfect, probably to the extent of 500,000 persons. The eleventh census extends this estimate to the whites, calculating a deficiency of 747,915 whites besides the negroes, on the absolutely improbable assumption "that the increase in population of the Southern states between 1860 and 1870 and between 1870 and 1880 were related to one another in a proportion similar to the corresponding rates in the Northern states during the same periods." I say this is an improbable assumption, because it implies that the war period had no greater influence on the population of the South than on that of the North. On the basis of this assumption the census shows an increase

From 1860 to 1870 of 26.64%,
" 1870 to 1880 of 25.96%,
" 1880 to 1890 of 24.86%.

This "rectified" table, however, involves us in the second absurdity

[1] See the remarks of Dr. Ogle in regard to the statistics of occupations, English Census Report, 1891, vol. iv, p. 35. Our office has made one similar confession in regard to the statistics of negroes, mulattoes, quadroons and octoroons. See also the sharp criticism of French statistical methods by Bertillon (an official), in his Cours Élémentaire de Statistique.

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of supposing that population increased faster during the war period with little immigration than during either of the subsequent peace periods with enormous immigration.

The second method of testing a census is to weigh the internal evidence. Do the figures hang together? Do they show proper relations to the figures of preceding censuses? Are these relations similar to those we ordinarily find in other countries? Unfortunately it is extremely difficult to apply these tests to the United States, owing to the disturbing influence of immigration.

Some of the figures of the eleventh census are, however, very difficult of explanation. For example, the number of the foreign-born recorded in 1890, compared with the foreign-born of 1880 plus the immigrants from 1880 to 1890, allowing for a death-rate of fifteen per thousand and some emigration, shows, as I have elsewhere pointed out,[1] a deficiency of nearly a million. So, too, it is very extraordinary that, with an immigration of five and one-quarter million persons from 1880 to 1890, and a decreasing birth-rate among the native-born (as the census itself claims in its previous contentions) the proportion of the foreign-born should have been only 14.77% in 1890, compared with 13.32% in 1880 and 14.44% in 1870. Another anomalous thing is the proportion of males to females. Among the foreign-born it is 842 females to 1000 males, which is the proportion of males which the census rightly attributes to immigration. But among the native whites of native parents, where we should expect an excess of females, the proportion is only 966 females to 1000 males; and among the native whites of foreign parentage it is 909 females to 1000 males. Immigration cannot be the explanation in these cases. It would seem as if the census had either returned a good many foreign-born persons as natives or had omitted a good many native-born females, which could happen if the enumeration in rural districts was defective. At any rate, this anomalous condition of things demands explanation; for a deficiency of this sort affects all other statistics such as those of urban population, mortality, crime, conjugal condition, occupation and parental nativity.

The third method of testing the accuracy of a census is by observing the conclusions which the officials draw from the figures. Are they scientific and justifiable, or are they superficial and misleading? The change in the superintendency of the office during the progress of the census makes it somewhat difficult to fix the responsibility. But, although this volume does not show any great degree of scientific

[1] Publications of the American Statistical Association, III, p. 304.

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cumen and originality, its text is generally sober and cautious in ssertion. While not altogether accurate and complete, it furnishes uch material that is relatively trustworthy, and which gives us many limpses into the composition of the extraordinarily interesting pop- 'ation of the United States.

RICHMOND MAYO-SMITH.

'axation and Taxes in the United States under the Internal Revenue System, 1791–1895. An Historical Sketch of the Organization, Development and Later Modification of Direct and Excise Taxation under the Constitution. By FREDERIC C. HOWE. New York, Thos. Y. Crowell & Co., 1896.—293 pp.

Although the yield of United States internal revenue almost equals, nd in some years even exceeds, that of the customs, and although .e system is almost as interesting from an economic standpoint, its 'story has been strangely neglected, and so offers a rich and invit- g field for research. Dr. Howe has improved this opportunity, nd, notwithstanding an occasional slip, has done the work well. He as traced the history of internal revenue taxes through the four tages of their development — under the Federalists, in the War of 812, in the Civil War and during the last quarter of a century. Naturally the elaborate system of the Civil War period calls for most xtended treatment, and fills about half the volume. Finally, the ·pendices give a bibliography of the subject, the rates of taxation r different acts conveniently arranged in tabular form, and other ·oles showing the receipts from each source from 1862 to 1895. he receipts are shown also in more detail in tables scattered through .e body of the book. But for the absence of an index, the book ould have a distinct value for purposes of reference.

By a curious error in the caption of the tables on pages 117 and 18 it is made to appear that the "succession tax" on realty applied nly in cases of intestate succession, and the tax on legacies and stributive shares of personal property only to legacies; although lsewhere (pages 114 and 274) the distinction between the two taxes correctly stated. In these taxes there was no "minimum deduc- on of $1,000," whatever that may mean, but only an exemption of rsonal estates of $1,000 or less: larger estates were taxable on e whole amount, and there was no exemption in the case of real state. Although the exemptions are thus unduly magnified on page 15, they are neglected entirely on the following page, in the esti- ate of what these taxes should have produced. In quoting the

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provisions of the probate tax of 1862 (page 120) the rate for larg estates is inadvertently omitted.

There are several instances of faulty or misleading terminology The word "self-assessed," applied to the tax itself, implies a degre of automatic action which is far from being true of taxes. The wor "excise" is used with varying significations, in a manner conducin to hopeless confusion. In some places it seems to be employed a synonymous with the entire internal-revenue system; while "genera excise" is used as a less general term than "excise" alone.

Dr. Howe falls into the common error of supposing (page 27) tha "the supreme court sustained the constitutionality of the [carriag tax] law on the ground that only land and capitation taxes were t be regarded as direct." As a matter of fact, the court arrived a its decision by the same reasoning by which "Gallatin tried to evad the objection," namely, by regarding the carriage tax as a tax o expense or consumption. The suggestion of some of the justices tha land and capitation taxes might be the only direct taxes intended b the constitution was not only quite incidental and *obiter*, but wa made in each case in the most hesitating and doubtful manner po sible.[1] Dr. Howe's failure to recognize this, together with his pa tiality for an income tax on fiscal, political and social grounds, lead him to regard the decision of the supreme court in the income-ta cases of last year as an unwarranted infraction of the rule of *star decisis*. In asserting (page 251) that "upon two other occasions, a unanimous court, the income tax had been held to be a duty not a direct tax," he evidently confuses the tax on the business o insurance companies with a general income tax. It was this sam failure on the part of the court itself to distinguish in the Springe case between things essentially different, which necessitated a least an apparent reversal of its decision. Whether this was strictl a reversal—whether, in the words of our author, "it must be acknowl edged that the doctrine of *stare decisis* has received a severe blow"— there is at least room for doubt. As Mr. Chief-Justice Fuller pointe out,[2] the original record in the Springer case showed that the incom in question consisted entirely of professional earnings and interes on United States bonds; and the validity of the tax as to either wa sufficient to sustain the action. The decision of 1895, on the othe hand, applied primarily only to incomes from real and personal prop erty, and was extended to incomes from personal exertion onl

[1] Hylton *vs.* U. S., 3 Dallas 171.
[2] 157 U. S., 578, 579.

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because the income tax of 1894 was considered as an indivisible whole. It is perhaps unfortunate that the decision in the Springer case was not more explicit as to just what part of the tax was sustained; but, as Mr. Chief Justice Fuller observed, "We are considering the rule *stare decisis*, and we must decline to hold ourselves bound to extend the scope of decisions." In considering the desirability of taxing incomes, Dr. Howe ascribes to a proportional income tax the equalizing function which really belongs only to progressive taxation, and to an income tax no more than to other direct taxes with corresponding exemptions.

The internal-revenue system at present consists of taxes upon distilled spirits, fermented liquors, tobacco and snuff, cigars and cigarettes, oleomargarine, opium, bank circulation and playing-cards. Dr. Howe assures his readers that frauds have almost ceased, that the cost of collection is very low and that the system could easily be made to yield much larger revenues. To attain this result he would advise an increase of the rates on malt liquors and tobacco, which are now lower than in almost any other country. In fine, he considers it "safe to assert that contemporary budgetary history makes no like exhibit of unopened resources and unemployed powers."

WASHINGTON, D.C. MAX WEST.

A History of Modern Banks of Issue, with an Account of the Economic Crises of the Present Century. By CHARLES A. CONANT. New York and London, G. P. Putnam's Sons, 1896. — xiv, 595 pp.

The general scope of Mr. Conant's book is indicated clearly enough by the title. After a brief introductory chapter on the theory of a banking currency, reference is made to pretty nearly every bank of issue in the world. Three chapters are devoted to the United States, two to the banks of England, and one each to Italy, France, Scotland, Ireland, Germany, Austria-Hungary, Russia, Northern Europe, Southern Europe, Canada, Latin America, and Africa and the East. Then come four chapters on commercial crises, and a concluding chapter on the advantages of a banking currency. The discussion of crises is, however, evidently inserted merely to show how much they depend, both for their beginning and for their ending, upon the activity of bankers; and the whole work may, therefore, be briefly characterized as an historical and descriptive account of the bank notes of the world.

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Mr. Conant remarks in the preface that there is no other book in the English language which covers exactly the same ground. In this he is no doubt correct, for among English treatises on banking the present is peculiar in three respects: it is comprehensive; it deals formally and specifically only with the issue of notes; and it confines itself in a marked degree to simple narration and description, with only occasional deductions of general principles. From these three peculiarities may be inferred both its merits and its defects.

In no other English book — perhaps in no other book in any language — will be found so great a mass of details in regard to the past and present issues of so many banks. Raphaël-Georges Lévy, in the fourth part of his *Mélanges Financiers*, has exactly the same purpose to give specific information in regard to the banks of the world; but he takes only a quarter as much space, and consequently cannot tell so much. Conant gives all that Lévy presents, except for some of the least important banks, and supplements it with information drawn from other and often later sources. Of course he tells the familiar stories of the banks of England, France and Germany; but he goes further and treats in the same way not only those of all the other countries of Europe, but almost all those of Asia, Africa, America and the islands of the sea. Date of establishment, amount of capital, amount and conditions of issue, and character of the paper are given in almost every case. In this sort of work there is great danger of error; but Mr. Conant seems to be remarkably accurate. The sets of dates and other figures are rather bewildering for a general reader; but they will be very valuable for the specialist. It is, of course, impossible sharply to separate the issue of notes from the other activities of banks of emission; and accordingly Mr. Conant's references to discounts and loans are not infrequent. But he has no purpose to treat of banking at large, and his discussions of general credit operations are incidental to the development of his main theme.

Mr. Conant's book is, of course, much more than a conglomerate of figures and specific facts. No intelligent student could canvass such a broad field so thoroughly without discovering some general laws, or write so fully without discussing some principles. But if the reader will compare the *History of Modern Banks of Issue* with such works as Dunbar's *Chapters on the Theory and History of Banking*, he will inevitably feel that the former is lacking in something, that it is somewhat inarticulate, that it has sacrificed unity for fullness. In most cases such a fault would naturally be taken to indi-

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cate that the author had not fully assimilated his material, and had written without sufficient deliberation. But such may not be the correct inference in the present case: it looks rather as if Mr. Conant has, whether wisely or unwisely, deliberately chosen to emphasize one great principle to the comparative neglect of others.

The real thesis of the book is that bank notes, issued against the general assets of these institutions, and with the minimum of governmental regulation, constitute the best sort of paper currency. To this proposition the author returns repeatedly; and it almost gives a fundamental unity to his book. He naturally reaches this conclusion as a corollary of two other propositions: that government notes are unsatisfactory, and that the most common and most complicated systems of regulating bank issues are extremely faulty. In his general conclusions he will have the sympathy and endorsement of the great majority of competent critics. That state paper has, all but universally, been rather a curse than a help to society, cannot well be doubted; and that, until governments vastly increase their industrial activities, state paper must, at the very best, have the serious fault of inelasticity, is also indisputable. That the pledge of public stocks is not to be approved as a perfect and permanent basis for bank issues is certain; that a minimum or a proportional reserve of cash is costly, and in the crudest form a manifest absurdity, goes without saying; and that those banks which have been left most to themselves by the state have done the most good and the least harm, is a pretty safe generalization. All these separate propositions are abundantly illustrated in Mr. Conant's book; but not one or all together can prove that the issue of circulating notes ought to be put unreservedly in the hands of bankers. In fact, there is little doubt that Mr. Conant goes too far in his eulogy of unregulated issues. He exaggerates the utility of bank notes by attributing to them benefits which really flow from other banking activities (pp. 5, 6). He appears to forget that, if bank notes are issued, they will inevitably pass far from home, and into the hands of those who cannot easily defend themselves against loss (pp. 8, 11). In fine, he furnishes data for conclusive arguments against state paper, and against sharply limited and minutely regulated bank issues; but he does not make out a case for banking as free as he appears to favor. His one criticism against the present English Bank Act is the old one that it must be suspended in times of emergency; and against such a charge the bank regulations of Germany, Austria and Japan are safe. Those who, like Mr. Conant, wish to

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see our American paper currency simplified and otherwise improved, would be more convincing if they did not set up, as the only alternative to the existing systems, something which looks so much like free banking and a gratuity to the bankers. The advantages of a sound paper currency must, in a great measure, accrue to society at large, no matter who formally issues the notes. But the majority of Americans believe that the great gain remains with the first issuer; and they are unwilling that their government should forego that gain.

For the most part, and with the limitations already implied, the discussions in the book are of unusually high merit. Those chapters which deal with the first century of English banking, with the first and second United States Banks, and with the chaos of state banks in America are perhaps the best; but the crisis of 1893 is exceedingly well described. In matters of social science, each man must to a certain extent be allowed his own peculiar points of view; but probably all critics would agree that certain statements of the book are erroneous. If not simple and obvious, it is nevertheless true, that the uncovered issues of a bank do make a real addition to the capital of a community (*v.* p. 10). It is certainly a strange teaching that, in times of industrial depression, "even laborers who are thrown out of employment cannot suffer any such loss in a modern civilized state as is suffered by capital" (p. 463). Of course, "capital," being an inanimate thing, cannot, except by a rhetorical figure, be said to suffer at all; and no thinking man will deliberately maintain that capitalists suffer as much from industrial stagnation as do laborers. The capitalist loses a few or many dollars, with which he might have bought luxuries — dollars, therefore, of low subjective value; while the laborer's loss means the lack of necessaries. To a man who takes a human view of economics the laborer's loss is incomparably the greater. Again, most thoughtful readers will be greatly surprised that Mr. Conant never so much as refers to an insufficiency of money as even a contributory cause of the panic and crisis of 1873. He need not accept the view of the majority of professional economists, but he should at least give it a definite rejection.

Notwithstanding minor imperfections the book must receive no faint praise. It is immeasurably superior to most of the writings which have been called forth by the peculiar monetary conditions which at present prevail.

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Geschichte der Nationalökonomischen Krisentheorieen. Von EUGEN VON BERGMANN. Stuttgart, W. Kohlhammer, 1895. — 440 pp.

If it is true that the science of anatomy owes its birth to functional disorders which called the attention of men to their own internal mechanism, it would be interesting to know precisely how nearly analogous were the conditions which gave birth to the science of economics. The attention given to it has unquestionably been intensified by the existence of economic disorders of various kinds. Some of these may have been more acute, but none have been more persistently before the minds of economists than the ever-recurring stagnation of business, with its resulting depression, failures and waste of productive energy. No form of economic disorder has received the attention of a larger number of economic writers. To bring together from their scattered sources, and to place before us in logical order, the various attempts to account for this particular form of economic disturbance is the distinctive service which Dr. von Bergmann has performed in the preparation of the volume before us.

Instead of presenting the different theories in strictly chronological order, the author has adopted the obviously more satisfactory method of classifying them on a logical basis into distinct groups. But it is a source of added satisfaction to find that the groups themselves fall into a more or less distinct chronological order. This fact lends support to the assumption that economic theories reflect, in a certain sense, the contemporary economic conditions.

The general crisis of 1825 was the first of international importance, and the first to receive the careful and scientific attention of economists. But there had been industrial depressions before. They began, in fact, with the modern industrial system itself. In his introductory chapter the author considers the attempts of the earlier writers — the Mercantilists, the Physiocrats and Adam Smith — to explain, in connection with their theories of demand and supply, those early industrial depressions. Subsequent writers are classified into eight distinct groups and a chapter is devoted to each group.

The views of Lauderdale, Storch, Spence and Ganilh belong to the class which the author characterizes as the simple, or naïve, over-production theories. The distinctively classical theory is that there is a necessary correspondence between the sum total of supply and the sum total of demand: in other words, a supply of one article is a demand for another, and there can, therefore, be no such thing as a general over-production. Those who hold this view are considered under the second group, and this group contains a larger number of

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distinguished names than any other. The theories of Tucker, Turgot, Quesnay, J. B. Say, James Mill, Ricardo, Senior, McCulloch and Bastiat are explained at some length, and those of a number of other writers are stated. In the writings of Malthus, Chalmers, Sismondi and a few others is found a perfected, or more thoroughly worked-out, over-production theory, wherein it is held that general over-production is brought about not merely by improved processes but by changes in the organization of society.

The next largest and most distinguished list of names is found in the fourth group, whose writings date from the currency controversies of 1830 to 1840. This list includes writers of great diversity of opinion; but they all seem to agree in explaining crises on the ground of an abnormal diminution of circulating capital through over-speculation. On this basis, Lord Overstone, Tooke, J. S. Mill, Bagehot, F. A. Walker, Thorold Rogers, Mangoldt and Leroy-Beaulieu are grouped together. The attempt to explain the seeming periodicity of crises characterizes the fifth group of writers. In searching for a physical rather than an economic cause, Jevons's crisis theory is unique in the attempt to trace a relation between crises and sun-spot cycles. The sixth group finds the explanation of crises in the conditions not of production alone, but of distribution and consumption. The seventh and eighth are socialistic groups, which find the cause of crises, as of most other economic disorders, to be inherent in the present capitalistic organization of industry.

In this volume the reader has set before him not only the general characteristics of the different groups, but a somewhat detailed examination of the views of the individual writers. For this reason it is doubtful if very many will read the book in its entirety, though every one should read it in part. The author has shown first-rate judgment in giving prominence to the more important writers; yet it was inevitable that much of the material which he has gathered together would be of interest to a very limited number. Nevertheless, it must be considered as a valuable contribution to enonomic literature.

T. N. CARVER.

OBERLIN COLLEGE.

La Dépression Économique et Sociale et l'Histoire des Prix. Par HECTOR DENIS, Professeur à l'Université Libre de Bruxelles. Ixelles-Bruxelles, Imprimerie générale, G. J. Huysmans, 1895. — xv, 412 pp., with accompanying atlas of 37 diagrams, folio.

This is a very elaborate attempt to describe and explain the depression of industry and commerce since 1873. The method is

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to show the continuous fall of prices during that period and to refer to that fall all concurrent phenomena. In his first step, the author employs the usual index numbers of Palgrave, Sauerbeck, Soetbeer and *The Economist*, adding one for Belgium based on twenty-eight articles of export and twenty-two of import. All these numbers agree in showing a very great fall in prices since 1873. Without criticising the method of index numbers, the author accepts this fall as the central fact of economic history during the last twenty years.

His second step is to correlate other economic facts with this fall in prices. Thus, he shows that exports and imports fell after 1873 and rose in 1881–82, only to fall again with the last fall in prices. Even taking the quantities and not the values, there was a diminution in 1873 and again in 1883, although there was a rapid increase in 1889 and 1890. The author tries to show that in Belgium a greater quantity of exports is now given for the same amount of imports, so that the change has affected that country unfavorably; but this is evidently a national and not a world-economic (*mondiale*) point of view, though it is the latter that the author professes to expound. In addition to this effect on international commerce, the falling prices have, according to M. Denis, discouraged business enterprises, reduced the investments of capital, lowered rent, interest and profits, increased bankruptcies, unemployment and strikes. The author even directly connects certain social phenomena, such as the increase of tenants in place of owners of land, the increase of crime and suicide, and the decrease of the birth-rate and the marriage-rate, with the fall in prices. The most serious question, however, is whether such fall has affected the distribution of the product between the laborers on the one hand and the capitalistic classes on the other. Here we have some very important phenomena. Rents and farmers' profits have fallen in advance of and faster than agricultural wages. Industrial profits also have fallen, and in some years have turned into losses. On the other hand, nominal wages have either advanced, remained the same, or at most decreased slightly; while real wages (purchasing power) have greatly increased, owing to the very fall in prices. Still further, with falling prices the relative share of wages in the fund devoted to wages and profit has increased at the expense of capital. The consumption of food (*alimentation*) and the standard of living of the laboring class have also improved.

The author's third step is to inquire into the cause of this decrease in prices which has had such a dislocating and, according to him,

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such an unfortunate effect on all economic life. There are three explanations: (1) scarcity of money (the thesis of most bimetallists); (2) decreased cost of production (the thesis of the monometallists); and (3) conditions, such as over-production, protective tariffs, foreign competition, *etc.*, which affect current prices in particular countries (the thesis of so-called practical men). The author presents all three of these views judiciously, and with apparent impartiality, without deciding absolutely in favor of any one of them.

What interpretation shall we put upon these facts so laboriously and patiently brought together? The author attributes only half of the decrease in prices to the contraction of the currency (p. 389). He does not explain *how* the quantity of specie money affects prices, although he admits that instruments of credit take the place of money and affect prices. He does show that the total operations of clearing-houses have not increased with falling prices; but that is perfectly compatible with the theory that improvements in production have caused the lower prices, and that consequently the same amount of transactions is represented by smaller figures. So, too, he has not noticed the recent figures of Lexis in regard to the increased metallic circulation of Europe and the United States. With reference to the influence of the contraction of the currency his remarks are, therefore, inconclusive.

For relief M. Denis seems inclined to look towards bimetallism and a mild form of socialism. The facts he has cited, however, can not be made to support either; while a most serious counter-che to both is contained in the facts regarding the effect of decreasing prices on the laboring class. That is the kernel of the question. Here the author seems to struggle against his own conclusions. For instance, he says:

> Nous nous sommes engagé dans des recherches étendues sur les variations du salaire nominal et du salaire réel, et malgré les perturbations profondes et funestes qu'ils ont subies, nous avons pu vérifier une tendance historique à la hausse des salaires et à l'élévation du *standard of life*, ou de la somme de jouissances que le travailleur considère comme la légitime rémunération de son travail. Les calculs relatifs à l'alimentation et à la force de travail sont, à cet égard, suggestifs et très importants. . . . [p. 385.]
>
> La constatation historique de l'élévation du *standard of life* nous a permis d'éclairer le plus grave problème qui se rattache à la population; nous avons constaté un progrès réel dans *l'individuation* aux dépens d'un stérile et redoutable progrès de la population; car, depuis 1850, bien que le mouvement progressif des salaires ait été plus rapide qu'antérieurement,

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l'accélération du mouvement des naissances est moindre. La *loi d'airain du salaire* a été, par là même, écartée définitivement.

To offset these fundamental facts we have the following statements :

Le pouvoir de consommer n'a pas été reduit par la dépression des prix pour tous les revenus ; les revenus *fixes* ont acquis un pouvoir supérieur de consommer. . . .

Les plus redoutables atteintes dans le pouvoir de consommer ont été subies par la classe des travailleurs dans les variations brusques des salaires, et dans les périodes de chômage qui se sont succédé, contractant son revenu total et développant une véritable armée de réserve du travail. [p. 384.]

If these last two statements are equivalent in importance to the first two, the results reached are wholly contradictory. But it is pertinent to ask how many "*revenus fixes*" there are, when rent, profits and interest have all fallen, new investments have ceased and bankruptcies multiplied. And how has it been possible for labor to raise its standard of life subject to the competition of this "*véritable armée de réserve du travail?*" Has not M. Denis read old phrases of Rodbertus and Marx into his interpretation of social phenomena?

No one will deny that the depression of the last twenty years has produced a dislocation of economic relations that has been the source of much undeserved suffering. Bimetallism has been invoked for the purpose of relieving the suffering debtor by restoring prices ; and socialism, for the purpose of protecting the laborer from exploitation by the capitalist. But if, in an era of business depression and falling prices, of powerful monopolies and cut-throat competition, the laboring class has been able, not only to hold its own, but to improve its standard of life and increase its relative share of the product, the most urgent reason for invoking the aid of either of these remedies seems to disappear. It is perhaps too harsh to call M. Denis a socialist in the ordinary sense of the word ; but he seems to overlook the importance of the above facts when he invokes for the future an increase in the regulating action of society to reconcile the contradictions between the interests of the individual and the ends of society. It is not on the basis of these facts that we can foresee the

droit économique nouveau, national et international, qui s'élabore, et qui, empreint de solidarité, est destiné à mettre graduellement un terme à la dissociation du travail, du capital, de la propriété et à nous élever vers l'égalité des conditions. [p. 405.]

RICHMOND MAYO-SMITH.

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Heures de Travail et Salaires: Étude sur l' Amélioration Directe de la Condition des Ouvriers Industriels. Par M. ANSIAUX. Paris, Félix Alcan, 1896. — 300 pp.

Although written with special reference to industrial conditions now existing in Belgium and the reforms there practicable, this book is an excellent review of the crucial points in the labor question. After a brief but well-framed sketch of the industrial development of the century, and of the leading movements for the alleviation of the laborers' condition, comes a careful consideration of the immediate parliamentary aims of the socialist of to-day — the eight-hour day and the minimum wage. Without presenting anything especially novel, this sketch embodies a comprehensive criticism of the belief that it is possible to increase general welfare by decreasing general productivity. M. Ansiaux decides against an eight-hour law in Belgium under existing conditions of industrial efficiency and international competition.

Then follows the author's positive program. He advocates the legislative limitation of the working day in Belgium to eleven hours, and of the week's work to six days. In some industries, however, eleven hours are too many to secure the greatest productivity: the number should therefore be reduced in each occupation as its circumstances permit. M. Ansiaux reviews the results in different countries of reducing the hours of different branches of industry — transportation, mining, large industry, small industry, domestic work and seasonal trades. Everywhere hours should be reduced gradually as national, local or trade conditions allow, and in some cases even though there be temporarily a slight net loss of productivity.

Increased wages are to be made possible by improved methods of remuneration, or by progress in the organization of industry and in industrial efficiency. Under the former heading, after a review, based upon Schloss, of the merits and demerits of the different methods of industrial remuneration, M. Ansiaux declares, with only slight reservations, in favor of profit-sharing. Industrial efficiency will be increased by technical improvements and by better living of workingmen, due to rise in wages.

In his consideration of the methods by which these changes shall be accomplished, he does not advocate any one exclusively; but, rejecting *laissez faire* and the extreme of state regulation, he accepts as helpful organization of laborers and of employers, legislation and arbitration. He emphasizes, however, the voluntary giving up by the employer of part of his profits for the benefit of his men.

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M. Ansiaux seems to expect more from a benevolent attitude of employers than from the robust self-help of the men, although the tendency of thought is certainly the other way.

The work reveals extended reading in the recent literature of the labor question, especially that originating in England; contains a large mass of facts bearing upon the effects of duration of work and increased wages and efficiency; and is always honest and impartial in tone.

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BOOK NOTES.

THE checks upon democratic government developed or proposed in the United States form the subject of two recent treatises. Dr. A. S. Hershey, fellow of Harvard University, publishes *Die Kontrolle über die Gesetzgebung in den Vereinigten Staaten von Nord-Amerika* (Heidelberg, J. Hörnig, 1894) — a pamphlet which the writer tells us is the result of work done at Heidelberg in the seminar of Prof. Jellinek; and Sig. Francesco Racioppi gives us a book, *Nuovi Limiti e Freni nelle Istituzione Politiche Americane* (Milan, U. Hoepli, 1894). Both authors discuss the restraint imposed upon our legislatures by executive veto, by judicial interpretation of our written constitutions and by the referendum; and both recognize that the practice of submitting draft constitutions and special constitutional amendments to popular vote, coupled with the tendency to put all sorts of law into the constitutions, is bringing us rapidly to direct popular legislation in the Swiss sense. Both treat "local option" as a part of the general movement towards direct legislation, and both notice the numerous and minute restrictions imposed by our state constitutions upon the activity of our legislatures — Dr. Hershey very briefly, Sig. Racioppi at some length. Neither of these writers insist sufficiently upon the point that all the newer checks are imposed upon the *commonwealth* legislatures, and that no tendency is discernible to restrict the powers of Congress. Sig. Racioppi's field, as the title of his book indicates, is wider than Dr. Hershey's: he considers not merely the checks imposed upon the legislatures, but those imposed by the people upon the politicians and even upon themselves — for example, legislation regarding primaries, nominations, methods of voting and the representation of minorities; and he devotes separate chapters to discussing the development and tendencies of the executive and of the judicial departments of government. There are few pending problems of a constitutional character that are not discussed, and the discussion is uniformly based upon accurate knowledge and characterized by sound political judgment. To the European reader such a book must be almost invaluable. To the American student it is extremely suggestive, because it forces him to regard many familiar problems from a fresh point of view; and very

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encouraging, for with a clear view of the political evils under which we are suffering the author unites a firm belief that we are discovering or will discover the needed remedies.

S. R. Moffett, in *Suggestions on Government* (Rand, McNally & Co.), does much more than make some suggestions on government. He proposes an entirely new system of government, the characteristic feature of which is what he calls a "precinct assembly." These assemblies, confessedly devised in imitation of the town-meeting, are directly or indirectly and singly or by groups to elect all officers, whose terms are not to be fixed, but subject to termination at any time by the precinct assemblies through whose action the offices were originally filled. The scheme is very ingenious and is apparently complete in all its details; but like all schemes of a similar character, it must be regarded rather as an ideal indicating general lines of advance than as a means of practical reform for the immediate future. Apart from this somewhat chimerical scheme, the author makes some very valuable suggestions. His remarks upon the referendum or direct legislation, which is an essential part of the scheme, are interesting; and he pleads wisely and well for a more concentrated form of governmental organization, in order to insure a concentrated responsibility, for a more complete separation of legislative from administrative powers, and for a greater realm of local autonomy. The criticisms of the various plans of proportional representation show how confused and undigested that concrete plan of reform is at the present time.

In *Die Beziehungen zwischen dem Staat und der Zeitungspresse im Deutschen Reich* (Berlin, Mayer & Müller, 1895), Dr. E. P. Oberholtzer, member of the editorial staff of the *Philadelphia Evening Telegraph* and sometime fellow of the Wharton School, gives in rather clumsy but quite intelligible German a *résumé* of the laws affecting the editing and publishing of newspapers in Germany and of the construction placed upon these laws by the supreme court of the empire. The introduction to the pamphlet and a few closing remarks are devoted to the "science" of journalism. This, on examination, reduces itself to the more or less obvious statements that the prime function of a newspaper always has been and still is to give the news; and that the character of newspapers is determined by the financial interest of the proprietors, the taste of the public, the intellectual outfit of the editors, reporters and correspondents, and, negatively at least, by the restraints of the law. There is a plea for the special academic training of journalists and for the institution of

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government examinations, which all who intend to become journalists must pass.

The monograph habit exhibits its influence once more in the *Staats- und Völkerrechtliche Abhandlungen*, the publication of which, under the editorial charge of Professors Jellinek and Meyer, was begun last year (Leipzig, Duncker & Humblot). The first three numbers, which are before us, fully justify, if anything can, the new enterprise in this field. Dr. Rudolf Treumann's *Die Monarchomachen* is a very scholarly study of the political theories of that group of sixteenth-century writers for whom Gierke resurrected the collective name by which the author designates them. The second number of the series deals also with the history of political theories, but more especially on the constitutional side. It is by Professor Jellinek himself, and its title is *Die Erklärung der Menschen- und Bürgerrechte*. The author's reputation as a publicist makes especially gratifying his assignment to the men of the American Revolution of the chief credit for the development of that most useful constitutional practice — the formulation of bills of rights. Dr. Jellinek adopts and clearly sets forth the genesis of such written declarations in the history of the English Puritans, and the transfer of the idea to America. His treatment of the subject is on the historical side largely on the lines laid down by Borgeaud and Osgood (POLITICAL SCIENCE QUARTERLY, vol. vi). He particularly combats the idea that the French "Declaration of the Rights of Man" was based on Rousseau's *Contrat Social*, and shows by parallel columns its similarity to the early American documents. The third number of the series, by Professor Meyer, is on *Der Staat und die Erworbene Rechte*. This is a clearly written presentation of certain questions on the border line between public and private law. To the American reader the solutions appear so easy and simple as to excite wonder that they should have to be given at all. It is evident, however, from the adversaries cited by Professor Meyer, that many German jurists are very far from lucidity in their conceptions of state and of rights.

The translation of Rousseau's *Social Contract* put forth, with an introduction and notes, by Henry J. Tozer (London, Sonnenschein; New York, Scribners, 1895) is a good and useful piece of work. The rendering into English is faithful and intelligent; the historical and critical introduction is adequate and for the most part accurate; and the notes excellently fulfill the functions of illustration, suggestion and comparison. Mr. Tozer assigns at least all due importance

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to the influence of Rousseau on the French Revolution. Perhaps a little more care should have been taken to indicate that he furnished the phrases and formulas rather than the ideas and motives of the revolutionists. It is easy to create the impression that the *Contrat Social* and the Revolution were related more as cause and effect than as joint effects of common causes.

The *History of Modern Europe*, since the outbreak of the Revolutionary wars, has never, on the whole, been better or more succinctly told than by Mr. C. A. Fyffe. His publishers, Messrs. Holt & Co., have therefore done good service to the student in issuing the whole of the work in a single volume. While certain parts might have been abridged without loss, any considerable condensation would inevitably have marred an account, which is, so to speak, already reduced to its lowest terms. The publishers have therefore wisely chosen to include the whole text of the original edition.

At his death Professor Tuttle, of Cornell, left an installment of his *History of Prussia* ready for the printer. The publishers, Houghton, Mifflin & Co., recognizing that any attempt to continue the work from the author's notes would practically turn over the continuation to new hands, determined to publish the present section in a separate volume. It includes but one hundred and fifty pages, covering the brief but important period from the seizure of Saxony (August, 1756) to the battles of Rossbach and Leuthen at the close of the next year. The volume is preceded by a biographical sketch of the unfortunate historian, written by Professor Herbert B. Adams. Those unacquainted with Professor Tuttle's brilliant career will find much of interest in the description of his early life as a newspaper correspondent in Europe.

In a third volume Mr. Sharpe completes his *History of London and the Kingdom* (Longmans, Green & Co., 1895). The period covered in this part of the work is from the accession of the House of Hanover to the Reform Bill of 1832. Its character is the same as that of its two predecessors, which were reviewed in this QUARTERLY, vol. x, p. 350. The most valuable matter contained in this volume is in the appendix, in which is printed a selection of documents from the archives of the city falling between the beginning of the fifteenth and the close of the eighteenth century.

An ambitious *History of the Scandinavians in the United States* (Minneapolis, O. N. Nelson) is being compiled and edited by Mr. O. N. Nelson, assisted by a large corps of contributors, assistant editors and revisers. To the first volume, which is already pub-

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lished, the editor contributes interesting accounts of Scandinavian characteristics and history, of the migration to America and of Scandinavians in Minnesota, a chapter of statistics relating to the Scandinavians in America, and two bibliographies. Other contributors write of such subjects as "The Icelandic Discoveries of America," "The First Swedish Settlement in America," "Scandinavians in the Sioux War in 1862"; and give historical sketches of the principal religious bodies among the Scandinavian-Americans. The second half of the volume is devoted to biographical notices of the more successful Scandinavians in Minnesota. Inhabitants of other states are to be similarly dealt with in the succeeding volumes.

Le Homestead aux États-Unis, by L. Vacher (*Paris, Guillaumin et Cie*) affords another instance of an American institution first studied in a scientific way by a foreigner. There is in this country no work written from an economic point of view on the American homestead; and the present book is the first to appear elsewhere. M. Vacher describes the public domain of the United States and the origin, the evolution and the effects of exemption laws. His conclusions are favorable to the institution; and he expresses the belief that starting from America, it is destined to "encircle the globe, like the flag of Lafayette."

The third part of Dr. Warschauer's *Geschichte des Socialismus und Communismus im 19. Jahrhundert* (Berlin, Hermann Bahr, 1896) is devoted to the life and work of Louis Blanc. The biographical material is so chosen as partly to explain the character of Louis Blanc's theories. Significant in this way are the loss that his family sustained through the fall of Joseph Bonaparte in Spain, the pecuniary straits to which Louis Blanc himself was reduced, and his Hannibal-like vow of enmity against the existing economic order. Important also were his extended period of association with workmen at Arras, and his introduction to a journalistic life in connection with a democratic paper. The stirring events amid which his public life was passed furnished the opportunities for action the trend of which was determined by earlier influences. They permitted him to become a practical socialist; but they tempered his socialism and prevented him from becoming a communist of the prevalent type. Dr. Warschauer's analysis of his works is particularly clear and comprehensive.

The first three volumes of Professor Ashley's *Economic Classics* (Macmillan), consisting of chapters from Adam Smith, from Malthus and from Ricardo, seemed to us an inadequate substitute for the

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thorough study of the masters, and likely to encourage superficiality rather than scholarship. The same criticism does not apply to the more recent volumes, namely, Thomas Mun's *England's Treasure by Foreign Trade*, Richard Jones's *Peasant Rents*, and Gustav Schmoller's *The Mercantile System*. They are calculated to give the student glimpses into the real economic life of the seventeenth century, and as such are valuable substitutes for secondary sketches of economic history. Schmoller's essay will also serve as a specimen of the best work done by the German historical school of economists.

The Bulletin of the Department of Labor (Washington), begun last November, has now reached its fourth number, and has already shown its value. Each number contains a digest of recent reports of state bureaus of statistics, of other statistical documents, American and foreign, and of decisions of courts affecting labor, besides short papers on special subjects. Of these latter the most important yet published are an essay on "Industrial Communities," by W. F. Willoughby, and an account of "Strikes and Lockouts in the United States, 1881 to 1894," which gives the important results of the forthcoming volume on that subject. The *Bulletin* is admirably conceived, and renders available a vast amount of material which would otherwise escape the notice of even the diligent student. Mr. Holmes's oft-repeated figures of public and private debt, taken from "official or authentic reports," or "carefully prepared estimates," are of doubtful value. Unfortunately, an "official" report in this connection is not often "authentic."

In the latter part of last year appeared the first volume of a work entitled *La Législation du Travail* (P. Weissenbruch, Brussels, 1895) by the director of the Belgian *Office du Travail*, M. Ch. Morisseaux. This work received the *prix du Roi* offered for the best treatise upon the labor legislation of the principal countries of the world with a view to the needs and possibilities of Belgium in that field. The subject is confined strictly to "les dispositions légales qui gravitent autour du contrat de travail et qui règlent les rapports entre les divers facteurs de la production." It is further limited to laws now in force. The work is, however, more than a mere compilation. The author traces the historical origin of contemporary statutes, and sets forth the political, economic and industrial influences which have moulded them. In each case some account of the actual operation of the laws is also given. This volume is divided into three parts. The first two, devoted to concise and very general accounts of "*La Législation Corporative*" of the middle ages and

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"*La Législation Mercantile*" of the period between the middle ages and modern times, really form a historical introduction to the whole work. The third part begins the subject proper and is devoted to Germany. The succeeding volumes, now in press, will take up in order Austria, Switzerland, England, the United States and France, closing with a discussion of conclusions applicable to Belgium. This will be the most complete work yet published upon the subject, promising from the extent of its detail to be almost encyclopædic. The volume already published indicates a careful and accurate work.

With the close of the tenth volume of its "Publications," the American Economic Association begins a new series, or rather two series. The first is entitled *Economic Studies*, of which six numbers will be issued annually. Each number will consist of an essay or a number of essays upon some subject of theoretic or practical interest. The second series will consist of larger *Monographs*, issued from time to time when material of a suitable nature has been secured. The new scheme will give greater flexibility to the publishing activity of the association, allowing it to follow the changing phases of economic thought and life for the benefit of its readers, while at the same time encouraging original work of less immediate interest. The first number of *Economic Studies* (Macmillan) comprises "The Theory of Economic Progress," by J. B. Clark, and "The Relation of Changes in the Volume of the Currency to Prosperity," by Francis A. Walker. The second number will contain three papers on the wages question namely: "Gain Sharing," by H. R. Towne; "The Premium Plan Paying for Labor," by F. A. Halsey; and "The Piece-Rate System," by F. W. Taylor.

The first number of the "Studies in Economics and Political Science" undertaken by the faculty of the London School of Economics and Political Science, and edited by Mr. W. A. S. Hewins, the director of the school, is a little book containing five lectures on *The History of Local Rates in England*, by Edwin Cannan (Longmans, 1896). Here many quaint and curious ancient customs and early statutory provisions are set forth; and the gradual evolution of the poor-rate is traced from its beginnings in voluntary offerings at the church, enforced after a time by the fear of ecclesiastical reproof and disfavor. In the final lecture on the "Assimilation of Other Rates to the Poor-Rate," the author shows how the poor-rate principle of taxation according to ability has been modified by the opposing principle of taxation according to benefit. Even the rates intended to be assessed according to ability have always ended by becoming rates on real

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estate only; so that "in practice the nearest possible approximation to local rating according to ability, and the nearest possible approximation to local rating according to benefit, are one and the same thing, namely, the rating of persons in respect of fixed property in the district." Yet he concludes that the present system is more in accord with the principle of benefit than with that of ability, and properly so, because those local expenditures to which the principle of benefit is applicable have rapidly increased, while those which should be apportioned according to ability have been largely centralized.

La Mesure de la Valeur et la Monnaie, by Maurice Bourguin (Paris, L. Larose & Forcel, 1896), contains a theoretical study of value and money. The author denies that value is a quantity, and affirms that it consists entirely in reciprocal relations. Money is a commodity; it may figure in such relations, and may thus become a concrete expression for purely relative values. Of interest at present is his study of bimetallism. Professor Bourguin does not formally take the position of an advocate of the free coinage of silver; but he does inquire, as a dispassionate student, what results would follow from such a policy, and concludes that, if it were adopted by international agreement, prices in Europe would rise slowly, exchanges with the East would be rendered normal, and production in the West would be stimulated. It is the list of arguments that has many supporters in America. The avowed aim of the book may justify the author in contenting himself with reaching these conclusions; but the issues depending on the monetary policy of the world make it necessary for practical men to inquire even more carefully whether good or evil follows the stimulating of business by a cheapening of the currency, and whether, under such a policy, creditors are fairly treated. They make it further necessary to inquire whether such an international agreement would be faithfully executed by the contracting parties. Here lie the weaknesses of the policy of international bimetallism. For the free coinage of silver by a single nation like the United States, the book, to its credit, has no arguments to offer.

Mr. J. Schoenhof's *Money and Prices, from the Thirteenth Century to the Present Time* (Putnams, 1896), is not wholly successful. It lacks clearness and coherence; while it attempts to cover too much ground in a hurried if not superficial manner. At the same time, it contains a great deal that is interesting concerning the various influences bearing on prices. The first part of the book is a preliminary criticism of price theories and an arraignment, not always clear in itself, of the

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quantity theory in particular. Part II continues the attack on the quantity theory by an appeal to history, and attempts to prove that the great price changes in the past have not been due to changes in the supply of the precious metals. Much of this is interesting, although it is too cursory and incomplete to be conclusive; while the author's substitution of single groups in his investigation for the aggregate of the index number, which he considers altogether untrustworthy, strikes the reader as less rather than more scientific than the common method. Part III is the most valuable portion of the book, and furnishes some definite information concerning the cheapening of the cost of production in recent years, which is very acceptable to all who do not believe in the scarcity of gold. The general effect of the book is weakened by the haziness of the author's own theory of the relation of the gold supply to prices. To hold that any particular fall in prices is not due to a scarcity of gold is one thing: to hold that in general and always the gold supply has little influence in determining gold prices is another thing, and a very absurd thing. Unfortunately, Mr. Schoenhof conveys the impression that this is his position in the matter of theory. In compensation he contributes some facts of real interest.

The Foreign Commerce and Navigation of the United States, prepared by the chief of the bureau of statistics (Washington, Treasury Department, 1896), surpasses in completeness anything which the bureau has heretofore issued. This compilation is of special va on account of the very full tables and diagrams, showing the im and exports of gold from 1845 to 1895. It gives both the quan and the values of all articles imported and exported, and the co tries of origin or destination. In addition, it gives comparative prices of leading articles in the markets of the United States. *The Review of the World's Commerce*, issued by the State Department (Washington, 1896), is largely compiled from the volume just mentioned. It is in more convenient form; and is arranged by countries, so that the character of our trade with any particular nation can be easily studied. The two together give a very valuable collection of commercial statistics.

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